

Stock Code
5263



Brogent Technologies Inc.

2022

Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Brogent Technologies Inc. annual report at <https://www.brogent.com/zh-tw/statements.html>

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5. Name of overseas trading office of listed valuable securities and method of searching for information of valuable overseas securities: None.

6. Company website:www.brogent.com

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I. Letter to Shareholders

Dear Shareholders,

Thank you very much for supporting Brogent and taking the time to attend the 2023 annual meeting of shareholders.

In 2022, Brogent's consolidated revenue was NT\$ 803 million, an increase of approximately 2% from NT\$ 787 million in 2021. Looking at the international tourism and entertainment market in 2022, the impact of the COVID-19 pandemic has slowed down, the number of tourists has been growing, and buyers from the related industry have been searching to import new equipment to attract upcoming customers. Brogent has a very optimistic outlook on the future market and will continue to provide new technologies and diversified products in the immersive entertainment market.

Last year, our new type of flying theater o-Ride was successfully launched. With its special designs that can be quickly built and moved, o-Ride can meet the needs of the owner's flexible operation, increase the penetration rate of the flying theater market, and achieve full market coverage. In addition, through cooperation with local manufacturers, we presented a LED dome screen immersive cockpit. It can provide a more immersive and personalized entertainment experience to our high-end customers. With the recovery of the global tourism market, Brogent continued to expand in the self-operation sites market. RiseNY, the first museum combining flying theater located in the world-renowned New York Times Square opened in 2022. Brogent also formed an operation alliance with Merlin Entertainment, the largest theme parks operator in Europe, to jointly promote This is Holland, an overseas investment, and the outcome has proved it is successful.

Looking forward to 2023, Brogent aims to become a leading company in media-based attraction rides. We will continue to develop diversified immersive systems with innovative technologies and provide customers with product solutions and services. In addition to expanding the global operation sites, we are also focusing on accelerating the expansion of the digital content database. Through the development of digital content production technology, as well as cooperating with current content providers, to provide more content choices for the customers and to create more sales income from immersive ride systems and digital content.

Brogent will continue to provide varied solutions to expand the scope of business services and create the greatest value for our shareholders. Brogent has been in the immersive ride market for years. In the future, we will integrate 5G, artificial intelligence, virtual reality, and immersive content production to create a new kind of entertainment experience. Brogent will follow our mission and value to achieve the goals.

We thank you for your trust and commitment to Brogent and look forward to a prosperous future with our shareholders.

Chairman, Chih-Hung Ouyang



1. Accomplishments in 2022

(1) Business Plan Implementation Outcomes in 2022

Unit: NT\$1,000

Item	Year		Change (amount)	% Change
	2021	2022		
Sales revenue	787,749	803,766	16,017	2.03
Gross profit	376,506	330,517	(45,989)	(12.21)
Operating expenses	556,641	577,780	21,139	3.80
Operating loss	(180,135)	(247,263)	(67,128)	37.27
Net loss before tax	(153,782)	(83,958)	69,824	(45.40)
Net loss	(133,323)	(62,398)	70,925	(53.20)
Net loss attributable to shareholders of the parent	(131,956)	(60,726)	71,230	(53.98)

(2) 2022 Budget Execution

According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not need to compile a financial forecast for 2022, and therefore this section is not disclosed.

(3) Analysis of Financial Gains and Losses and Profitability

Unit: %

Item	Year		
	2021	2022	
Financial structure (%)	Debt-to-assets ratio (%)	36.49	35.48
	Long-term fund to property, plant and equipment (fixed assets) ratio (%)	398.92	528.55
Solvency (%)	Current ratio (%)	319.69	328.54
	Quick ratio (%)	280.61	287.79
	Times interest earned	(468.24)	(253.99)
Profitability	Return on assets (%)	(2.26)	(0.89)
	Return on equity (%)	(4.65)	(1.95)
	Paid-in capital to loss before tax (%)	(25.22)	(13.43)
	Net loss ratio (%)	(16.92)	(7.76)
	Loss per share (NT\$)	(2.31)	(0.99)

(4) Research and Development

To continuously enhance the Company's competitiveness, the Company has always actively invested in R&D efforts. In 2021 and 2022, it has expended a total of NT\$207.749 million and NT\$189.445 million in R&D, respectively accounting for 26% and 24% of the net operating income. Brogent will continue to innovate and remain committed to research and development because these aspects of operation embody corporate competitiveness. The Company shall continue to engage in advanced technological R&D and innovative applications, and implement product-centric design and research as well as systematic management to maintain the leading position of products and technologies.

(5) Impacts of External Competitive Environment, Regulatory Environment, and Overall Operation Environment

The Company operates its business in accordance with domestic and foreign laws and regulations and periodically notes any changes in domestic and foreign policies and development trends, to facilitate immediate response. The Company's employees also receive training regularly to update them on current political and economic changes and trends; therefore, changes to laws and regulations will not exert a material impact on the Company's business development.

Regarding external competition and the overall business environment, because the Company has successfully expanded into overseas markets in 2021, we will continue to develop our businesses based on market internationalization. By seeking high-quality customers, attaining product recognition, raising product sales prices, and adopting a product composite marketing model concurrent with mature technologies and scaled production, the Company expects to accurately ascertain the pulse of the global market. Thus, based on the economic recovery of European and American countries as well as China's entertainment market demand, Brogent will expand its businesses into the global market, thereby enhancing its overall revenue performance.

2. Business Plan in 2023

(1) 2023 Operational Goals and Crucial Product Marketing Policies

1. Continue to optimize the quality of immersive amusement park facilities and diversify product category.
2. Deepen the design and production of digital contents and heighten product added value.
3. Expand the international market and raise the global brand awareness.
4. Engage in industry-academic cooperation to actively cultivate high-quality specialists in digital content.

(2) Expected Sales Volume and Criteria

The Company's operational revenues mainly come from the sales of motion simulation entertainment facilities. According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not need to compile a financial forecast for 2022, and therefore this section is not disclosed.

3. Future Corporate Development Strategy

- (1) Product diversification
- (2) Market internationalization
- (3) Diversification of revenue models
- (4) Integration of strategic partner resources

II. Company Profile

1. Date of Establishment

October 30, 2001.

2. Company History

Company milestones up to the date of this report:

April 2011	Opening of 4D Theater at Formosan Aboriginal Culture Village.
June 2011	Conversion of employee stock options to 1,744,000 ordinary shares; the paid-up capital following capital increase totaled to NT\$213,560,000.
September 2011	Seasoned equity offering (SEO) of NT\$12,700,000; following capital increase, the paid-up capital totaled to NT\$226,260,000.
October 2011	Approved public offering of stock.
December 2011	Registered on emerging stock market.
June 2012	Constructed started on new research and test center at Kaohsiung Software Park.
September 2012	Passed the market listing application by the Board of Directors of the Taipei Exchange.
November 2012	Public underwriting of SEO prior to listing amounted to NT\$28,290,000, and the paid-up capital following capital increase totaled to NT\$254,550,000.
December 2012	Stock market launch.
January 2013	Completion of the operational headquarters and R&D test center.
February 2013	The i-Ride passed China's A-grade large-scale amusement park facility authentication and a commercial business license was received for it.
April 2013	The i-Ride opened at an anime themed shopping center in Hangzhou, China.
July 2013	The new generation of i-Ride, Fly Over Canada, opened in Vancouver, Canada.
October 2013	Attended the National Palace Museum First New Media creative contest; the Company's 3D interactive new media art gained honorable mention.
October 2013	Signed a Memorandum of Understanding with Kodansha, Japan.
October 2013	Surplus transfer of NT\$12,727,500, and the paid-up capital following capital increase totaled to NT\$267,277,500.
February 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT\$7,422,770; the paid-up capital following capital increase totaled to NT\$274,700,270.
March 2014	First-quarter revenue reached NT\$312 million, with net profit after tax amounting to NT\$100 million, both represented record highs in Brogent's history.
April 2014	The i-Ride received the 2014 Taiwan Excellence Reward for the category of fashion, life, culture and creativity product.

May 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT\$15,433,990; the paid-up capital following capital increase totaled to NT\$290,134,260.
June 2014	Held the Groundbreaking Ceremony for the 2nd stage of the R&D Center.
July 2014	Fuji Q Highland held the Grand Opening of the i-Ride flight theater "Fuji Airways" in Fujiyoshida, Japan.
July 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT\$18,753,440; the paid-up capital following capital increase totaled to NT\$308,887,700.
September 2014	Capital reserve transfer of NT\$27,470,020; the paid-up capital following capital increase totaled to NT\$336,357,720.
October 2014	Signed the "Attack on Titan" IP licensing contract with Kodansha Ltd.
November 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT\$442,070; the paid-up capital following capital increase totaled to NT\$336,799,790.
January 2015	Seasoned equity offering (SEO) of NT\$60,000,000; following capital increase, the paid-up capital totaled to NT\$396,799,770.
January 2015	Signed another MOU with Kodansha Ltd. to establish marketing companies for peripheral products.
March 2015	Awarded the Potential Mittelstand Enterprise for the 3rd Taiwan Mittelstand Award held by the Industrial Development Bureau, Ministry of Economic Affairs (MOEA).
June 2015	Seasoned equity offering (SEO) of NT\$10,300,000, following capital increase, the paid-up capital totaled to NT\$407,099,770.
July 2015	Surplus transfer of NT\$39,680,000, following capital increase, the paid-up capital totaled to NT\$446,779,770.
November 2015	Awarded government subsidies under the international market development program by the Bureau of Foreign Trade, Ministry of Economic Affairs.
December 2015	The grand opening of i-Ride flight theater themed "Attack on Titan" was held in Shan-Shun World, Toufen Township, Miaoli County, Taiwan.
January 2016	Grand opening of the 2nd stage Office Building.
March 2016	Grand opening of the 4D motion simulating theater in the famous European safari "Zoo Emmen" in Netherlands.
April 2016	New launch of i-Ride flight theater "FlyOver America" in Mall of America, Minnesota, U.S.A.
May 2016	The Joint Research and Development Center between Brogent and National Sun Yat-Sen University was established.
July 2016	The Research and Development Center of Somatosensory Content between Brogent and Southern Taiwan University of Science and Technology was established.
September 2016	The Lord Mayor of Brisbane, Australia, Graham Quirk, visited Brogent with the Brisbane delegation and experienced i-Ride flight theater.

December 2016	Awarded the Enterprise with Outstanding Contribution by Export Processing Zone, M.O.E.
March 2017	Feng Tang, Minister without Portfolio of Executive Yuan, came to Brogent to experience i-Ride flight theater.
March 2017	Activated the filming project “Flying Over Australia” with Cutting Edge, a leading Australian filmmaker.
April 2017	The Flying Theater of Spain’s famous theme park officially opened.
June 2017	The Flying Theater “Voletarium” of Germany’s prestigious Europa Park officially opened.
September 2017	Won Europe’s Best New Ride of the European Star Awards 2017.
October 2017	The Flying Theater “This is Holland” of Netherland officially opened in Amsterdam.
November 2017	Brogent’s i-Ride Experience Center officially opened in Kaohsiung Software Park.
November 2017	Brogent’s new VR product “Q-Ride” launched in IAAPA Attractions Expo in Orlando, Florida, U.S.A.
December 2017	Dentsu Japan invested in Brogent’s subsidiary “Brogent Japan Entertainment.”
December 2017	Vice President Chien-Jen Chen visited i-Ride Experience Center of Brogent.
January 2018	Brogent is the first TÜV SÜD client in Asia to have passed its challenging test with i-Ride Flying Theater.
January 2018	Taipei City Mayor Wen-Je Ko visited the Flying Theater “This is Holland” in Amsterdam.
May 2018	Brogent unveiled its new VR and motion simulation gaming product at the 2018 Vision Get Wild Exhibition.
June 2018	Brogent’s VR gaming products were presented at Computex Taipei 2018.
July 2018	Brogent’s VR gaming tournament, Lightning Wings, kicked off its regional preliminary contest at Kaohsiung Beer Rock Festival.
July 2018	Brogent’s first carousel officially opened at KW2 (Kaohsiung Port Warehouse No.2).
July 2018	The Flying Theater of Abu Dhabi’s renowned theme park officially opened.
August 2018	The Flying Theater “FLYOVER CHINA” of Beijing Shijingshan Amusement Park officially opened.
August 2018	Brogent’s VR gaming tournament, Lightning Wings, held its regional preliminary contest in Taichung.
September 2018	Tom Tate, Mayor of the City of Gold Coast, Australia, visited Brogent with City of Gold Coast delegation and experienced i-Ride flight theater.
September 2018	Won Media-based Attraction of the Year of the Park World Excellence Awards 2018 Europe.
October 2018	Brogent’s VR gaming tournament, Lightning Wings, held its regional preliminary contest in Taipei.

November 2018	Brogent's hexaRide VR and the first original VR film "Ghost in the Shell" made its debut at Diver City Plaza in Odaiba, Tokyo.
November 2018	Brogent's VR gaming tournament, Lightning Wings, held its championship game in Kaohsiung Arena.
December 2018	Brogent introduced "Art-Zoo Inflatable Park" from Singapore opened at Kaohsiung Harbor Pier 7.
December 2018	hexaRide 's second original VR film "Attack on Titan" premiered at Diver City Plaza in Odaiba, Tokyo.
January 2019	The Flying Theater "i-Ride Taipei" of Taipei Nan Shan Plaza officially opened.
February 2019	Brogent's VR gaming simulation ride "Lightning Wings" was invited to 2019 Mobile World Congress in Barcelona.
March 2019	The Flying Theater "THE LEGO® MOVIE™ Masters of Flight" officially opened in Legoland Florida Resort.
May 2019	Brogent presented Q-Ride, VR gaming simulation ride "Lightning Wings" and the newly developed racing simulator at the 2019 Vision Get Wild Exhibition.
July 2019	Brogent Group collaborated with American Institute in Taiwan (AIT) to premiere "Discover America" in the celebration of US-Taiwan Travel Year.
July 2019	Brogent's new racing simulator made its world debut at 2019 Asia Pacific Cities Summit in Brisbane, Australia.
August 2019	The Flying Theater "Sky Voyager" of Australia's biggest theme park Dreamworld officially opened on the Gold Coast.
September 2019	The second Flying Theater of Beijing Shijingshan Amusement Park officially opened.
September 2019	Brogent's flying theater won the " Best Dark Rides" of the 2019 European Star Award.
October 2019	The Flying Theater "FlyOver Iceland" of Iceland officially opened in Reykjavík .
December 2019	Brogent received " 2019 Chinese Outstanding 3D/Motion Theatre Suppliers" of the Asia Attraction Gold Crown.
February 2020	Brogent Group cooperated with the American company Positron to invent a new single-person ride simulator: Voyager. Voyager was invited to exhibit at Festival de Cannes.
April 2020	Brogent was ranked within the TOP 300 High-Growth Companies for the Asia-Pacific region by the Financial Times.
May 2020	Brogent signed a priority sales contract with Sansei Technologies, Inc. forming a strategic partnership with the Japanese based company.
July 2020	Brogent held a press conference with the Australian Office Taipei and the Canadian Trade Office to celebrate "FlyOver Canada" and "Discover Australia" at i-Ride Taipei in Breeze Nan Shan.
July 2020	Launched new game based real-time controlled simulator esports series at IAAPA Virtual Expo Asia.

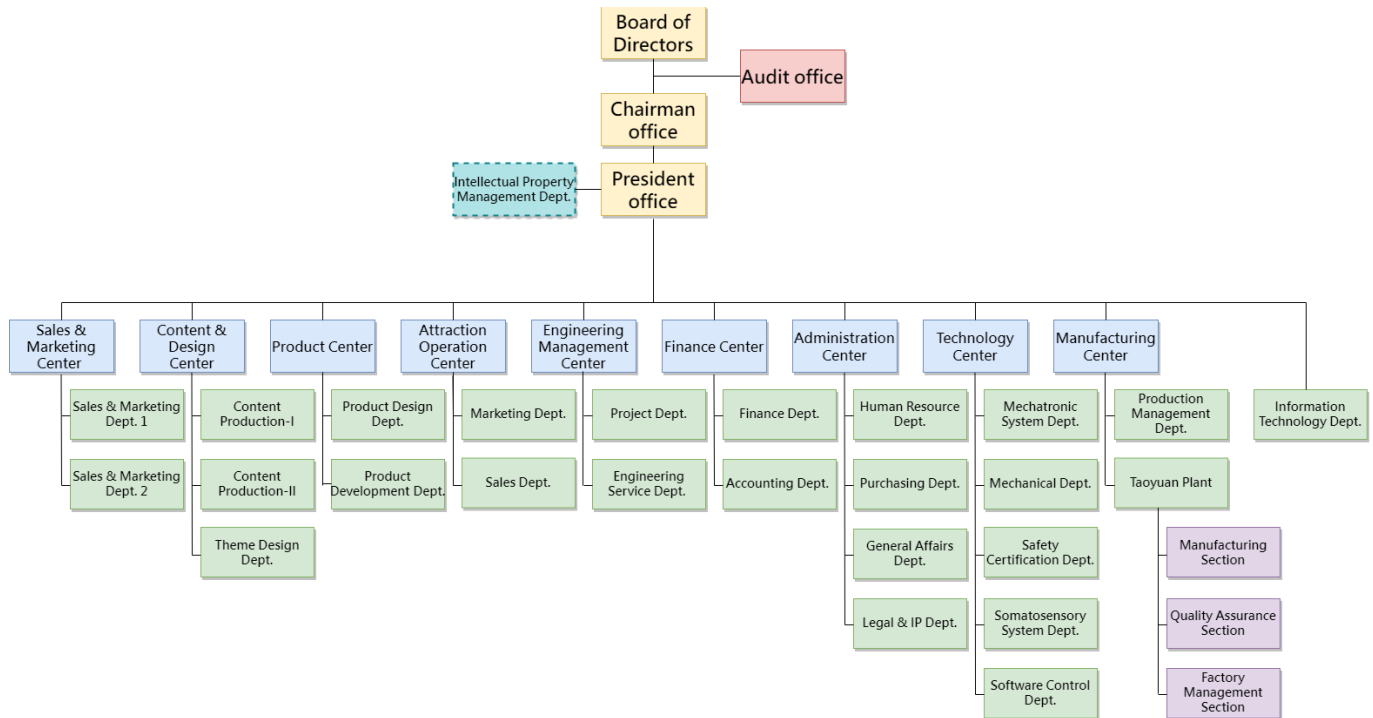
August 2020	The first 5G VR esports game “Land” debuted at Brogent Group’s headquarters.
October 2020	Brogent Technologies was the winner of Asiamoney’s Asia’s Outstanding Companies Poll 2020 in the sector of Software & Internet Services.
October 2020	Exhibited at CAE in Beijing, returning to normal in the region after the pandemic impact.
November 2020	Won the “Corporate Sustainability Award” at the Global Corporate Sustainability Forum (GCSF) held by Taiwan Corporate Sustainability Awards (TCSA) and Global Corporate Sustainability Award (GCSA).
November 2020	Won the “Queensland-Taiwan Business Excellence Award” from the Australia New Zealand Chamber of Commerce in Taipei.
December 2020	Brogent’s Flying Theater in Abu Dhabi won Annual Thea Awards 2020 for Outstanding Achievement.
April 2021	Brogent opened the Standing Panoramic Flying Theater in VinWonders Phu Quoc, the biggest theme park in Vietnam.
April 2021	Brogent opened the first Flying Theater in Kazakhstan, Central Asia.
May 2021	Brogent’s Flying Theater officially opened in an amusement park near by Tokyo, Japan.
May 2021	Brogent opened Scandinavia's first flying theater “Emmet's Flying Adventure - Masters of Flight in LEGOLAND Billund Resort, Denmark.
May 2021	Brogent opened Flying Theater “Emmet's Flying Adventure Ride” in THE LEGO® MOVIE™ WORLD of LEGOLAND California Resort, USA.
May 2021	Brogent opened the first Flying Theater in UK “Flight of the Sky Lion” in LEGOLAND Windsor Resort.
July 2021	Brogent’s Flying Theater in Guizhou officially opened.
September 2021	The Flying Theater “FlyOver Las Vegas” officially opened in Las Vegas.
September 2021	Brogent’s Flying Theater “Flight of the Sky Lion” at LEGOLAND Windsor Resort won UK Theme Park Awards for Best Attraction.
September 2021	Brogent’s Flying Theater “Emmet’s Flying Adventure” at LEGOLAND Billund Resort won Parkscout Award for Europe’s Best new Rides.
September 2021	Brogent’s Flying Theater “Flight of the Sky Lion” at LEGOLAND Windsor Resort won European Star Award for Europe’s Best new Rides.
January 2022	Brogent forms an alliance with Merlin Entertainment, the largest theme park operator in Europe, to focus on the marketing of the flying theater "This is Holland".
March 2022	Brogent’s Flying Theater “Rise NY” officially opened at Times Square of New York, USA.
March 2022	Brogent's i-Ocean Aquarium, combining marine life and simulation technology, officially opened at the National Museum of Marine Science and Technology in Keelung, Taiwan.
April 2022	Collaborated with AUO and debuted the LED dome screen flight simulator cockpit at the Touch Taiwan Exhibition.
October 2022	Brogent's Flying Theater in Hainan officially opened.

October 2022	Awarded the Corporate Sustainability—Golden Level by Taiwan Corporate Sustainability Awards (TCSA).
November 2022	Brogent introduced the new model of flying theater and LED immersive simulator cockpit at the IAAPA Expo in Orlando, USA.
December 2022	Chairman Mr. Chih-Hung Ouyang received the 2022 EY Entrepreneur Of The Year Award in the categories - Metaverse Creator Entrepreneur Of The Year.

III. Corporate Governance Report

1. Organizational System

(1) Organizational Profile



(2) Business Activities of Each Major Division

Major Divisions	Primary Duties
Chairman's Office	A. Supervise the execution of the corporate internal audit. B. Responsible for company operation policy planning and control, corporate operations, risk assessment, stakeholder, decision analysis and other relevant issues. And supervise the operation of the Board of Directors, Shareholders' meeting and corporate governance related matters.
Audit Office	A. Inspect and evaluate whether internal control systems are sound and provide recommendations for analysis and evaluations. B. Plan, implement, and improve internal auditing systems; requests operational procedures to comply with laws, regulations, and articles of incorporation and assist in increasing business performance.
President's Office	Plan the corporate mid-term and long-term business strategy, as well as the new business direction and market deployment.
Manufacturing Plant	A. Assembling products B. Build up database for Products and Machine C. Quality affairs and Factory Service

Major Divisions	Primary Duties
Sales & Marketing Center	<ul style="list-style-type: none"> A. Plan and implement marketing strategies. B. Achieve company-defined business goals and join overseas exhibitions. C. Handle general tasks (product presentation, proposal, quotation, negotiation, payment collection, and payment notification) and determine customer's status in contract compliance. D. Coordinate and communicate with marketing business and technical teams. E. After sales service execute and management. F. Develop potential China area business opportunities. G. Develop China area potential customers.
Product Center	<ul style="list-style-type: none"> A. Design and develop new technology and products. B. Develop new interactive game.
Engineering Management Center	<ul style="list-style-type: none"> A. Supervise the construction projects. B. Control product quality and communicate with customers when implementing projects.
Technology Center	<ul style="list-style-type: none"> A. Design, develop and produce hardware structures such as six-axis platforms, steel structures and dynamic structures such as elevators. B. Organize relative information for certification and prepare operating maintenance handbook.
Finance Center	<ul style="list-style-type: none"> A. The company's overall financial and accounting planning. B. Fund utilization scheduling and risk management. C. Accounting and tax processing. D. Annual report and annual budget preparation and execution. E. Operational performance control and benefit evaluation analysis of various reinvested enterprises.
Administration Center	<ul style="list-style-type: none"> A. Organization design and plan. Human resources management system executing including recruiting, training and salaries management. Carry out performance evaluations and devise welfare policies B. Drafting and reviewing commercial contracts, providing negotiation strategies and analysis of legal risks. Assist legal dispute conducting and discussing risk preventing strategies. C. Product/technology patent and trademark management. D. Purchasing and supplier management. E. Assist in executing and promoting general affairs and raw material management.
Content & Design Center	<ul style="list-style-type: none"> A. Theme parks design and project execution plans providomg. B. Media content project evaluation and execution. C. Content production and R&D abilities align with company goals.

Major Divisions	Primary Duties
IT Department	<p>A. Develop and maintain computer networks and application systems.</p> <p>B. Maintain and manage computer hardware, peripheral equipment, and information files.</p> <p>C. Plan and execute system safety.</p> <p>D. Hardware and software resources management.</p>
Attraction Operation Center	<p>A. Develop potential international business opportunities.</p> <p>B. Create future business models.</p>

2. Profile of Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Department and Branch Directors

(1) Directors and Supervisors

1. Directors and Supervisors

April 2, 2023; Unit: Shares; %

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Number of shares held when elected		Number of shares currently held		Shares held by spouse and minor children		Number of shares held in the name of others		Education/work experience	Other positions	Other officer, director or supervisor who is the spouse or a relative within the second degree			Note
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
Chairman & CEO	ROC	Chih-Hung Ouyang	Male 51-60age	2020.05.28	3 years	2011.10.05	3,807,191	6.83%	3,807,191	5.90%	101,187	0.16%	-	-	1.Electrical Engineering, National Sun Yat-sen University 2.R&D Engineer, Acer Incorporated 3.Project Manager, Ai West Co. Ltd. 4.President, Micro Sova	1.President, Brogent Technologies Inc. 2.Chairman, Fu Wu Investment Ltd. 3.Chairman, Brogent Global Inc.	None.	None.	None.	Note
Director	ROC	Chang chun Investment Co. Ltd.	-	2020.05.28	3 years	2016.05.31	2,150,271	3.86%	2,150,271	3.33%	-	-	-	-	1. M.B.A., National Taiwan University 2 Vice President, Investment Administration Division, RT-Mart International	1.Vice President, Investment Administration Division, RT-Mart International 2. Juridical Person Director Representative of MEGA GROWTH VENTURE CAPITAL CO., LTD. 3.Juridical Person Director Representative of Gogoro Inc 4.Juridical Person Director Representative of Diamond Biotechnology Investment Co., Ltd. 5.Juridical Person Director Representative of Diamond Capital Management Co., Ltd. 6.Juridical Person Director Representative of MIHO INTERNATIONAL COSMETIC CO., LTD	None.	None.	None.	-
		Representative Chih-Chuan Chen	Male 61-70age				-	0.00%	30,420	0.05%	-	-	-	-						
Director	ROC	Chin-Huo Huang	Male 71-80age	2020.05.28	3 years	2011.10.05	1,149,442	2.06%	1,149,442	1.78%	-	-	-	-	1.Chang Hua Industrial Vocational High School 2.Director, SANFU Motors Industrial Corp. 3.Director, Chun Ying Metal Industrial Co., Ltd.	Chairman, Fu Ying Metal Industrial Co., Ltd.	None.	None.	None.	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Number of shares held when elected		Number of shares currently held		Shares held by spouse and minor children		Number of shares held in the name of others		Education/work experience	Other positions	Other officer, director or supervisor who is the spouse or a relative within the second degree			Note
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
Director	ROC	LARGOU MORI CO., LTD.	-	2022.05.27	3 years	2022.05.27	1,688,888	2.77%	1,724,888	2.67%	-	-	-	-	1.The doctorate degree of Meiji University /Graduate School of Commerce. 2.LARGOU MORI CO., LTD Chairman	1.LARGOU MORI CO., LTD(TW) Chairman 2.LARGOU MORI CO., LTD(JAPAN) Chairman	None.	None.	None.	
		Representative: CHENG SHENHAO	Male 61-70age				-	0.00%	188,888	0.29%	1,585,059	2.46%	-	-						
Independent Director	ROC	Lewis Lee	Male 61-70age	2020.05.28	3 years	2020.05.28	-	-	-	-	-	-	-	1.National Chengchi University, Department of Accounting. 2. Partner, PwC, Taiwan.	1 Vice director, ZHI CHENG Co-located CPA Firm. 2..Independent Director , ScinoPharm Taiwan, Ltd. 3.Independent Director , ALL RING TECH CO., LTD. 4. Independent Director , POYA International Co., Ltd.	None	None.	None.	-	
Independent Director	ROC	Chih-Poung Liou	Male 61-70age	2020.05.28	3 years	2020.05.28	-	-	-	-	-	-	-	1. LL. M., University of Tokyo (Japan) 2. Managing Partner, Stellex Law Firm.	Managing Partner, Stellex Law Firm.	None.	None.	None.	-	
Independent Director	ROC	Jih-Ching Chiu	Male 61-70age	2020.05.28	3 years	2020.05.28	-	-	-	-	-	-	-	1. Ph.D., CSIE, Chiao-Tung University, 2. Associate Professor, National Sun Yat-sen University	Associate Professor, National Sun Yat-sen University	None.	None.	None.	-	

Note :Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the firstdegree of kinship, an explanation shall be given of the reason for, reasonableness, necessitythereof, and the measures adopted in response thereto(i.g. increase the positions of independent directors or there should be more than half of directors who are not employees or managers in the same time):

The reason why the company's chairperson and general manager is the same person is to improve operation efficiency and execution of decision making, however, in order to strengthen the independence of board of directors, we have been actively cultivating suitable personnel for this position. In addition, the chairperson works closely with each director on the communication of company operation status and policy to carry out thegovernance of the company. In the future, the company may plan to increase positions of independent directors to improve the competency of board of directorsand strengthen function of supervision. Currently we have actual measures as below:

1. Three of current independent directors haveexpertise in finance and accounting, legal and industry economy relatively, which allows efficient supervision competency.
2. The company will arrange training courses from Securities and Future Insitute and other external facilities for each director toimprove the operation efficiency of board of directors.
3. Independent directors can fully involve discussion and provide suggestions for reference on each functional committee to carry out the governance of the company.
- 4.No more than half members of the board of directors are employees or managers.

2. Major Shareholders of the Institutional Shareholder

April 02, 2023

Institutional Shareholder	Major Shareholders of the Institutional Shareholder
Chang chun Investment Co. Ltd.	Huei Hong Investment Co., Ltd. (48.00%) 、 RUEN HUA DYEING & WEAVING CO., LTD. (33.00%) 、 Ruentex Xing Co.,Ltd.(19%)

3. Major shareholders of the entities from Table 1 that are institutions

April 02, 2023

Institutional Shareholder	Major Shareholders of the Institutional Shareholder
Huei Hong Investment Co., Ltd.	RUEN HUA DYEING & WEAVING CO., LTD.(63.5%) 、 Ruentex Xing Co.,Ltd.(19.93%) 、 Yi Tai Investment Co.,Ltd.(16.54%)
RUEN HUA DYEING & WEAVING CO., LTD.	Ruentex Xing Co.,Ltd. (19.55%) 、 Ren Ying Industrial Co., Ltd. (19.14%) 、 Chang chun Investment Co. Ltd.(18.44%) 、 Huei Hong Investment Co., Ltd.(17.96%) 、 Samuel Yen-Liang Yin (13.7%) 、 Yin Wong, Yee-Fan (6.55%) 、 Yin Xun Ruo Education Foundation (4.4%) 、 Lena Yin (0.26%)
Ruentex Xing Co.,Ltd.	Samuel Yen-Liang Yin (99.997%) 、 Yin Wong, Yee-Fan (0.003%)

4. Director and Supervisor Expertise and Independence

Name	Criteria Professional qualifications and experience	Independent status	Number of other public companies in which the Director also serves as an Independent Director
Chairman Chih-Hung Ouyang	Possesses five or more years of work experience required for the Company's business; the chairman and CEO of the Company;	<p>(1)Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company.</p> <p>(2)Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company.</p> <p>(3)Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000".</p> <p>(4)Not having a marital relationship or a relative within the second degree of kinship to any other director of the company.</p> <p>(5)Not been a person of any conditions defined in Article 30 of the Company Law.</p> <p>(6)Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	None

Name \ Criteria	Professional qualifications and experience	Independent status	Number of other public companies in which the Director also serves as an Independent Director
<p>Director Chang chun Investment Co. Ltd. Representative: Chih-Chuan Chen</p>	<p>Possesses five or more years of work experience required for the Company's business</p>	<p>(1)Not an employee of the company or any of its affiliates. (2)Not a director or supervisor of the company or any of its affiliates. (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders. (4)Not a spouse, relative within second degree of kinship, or lineal relative within third degree of kinship of any of the persons in the preceding three paragraphs. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the abovepersons in the preceding subparagraphs 2 and 3. (5)Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company. (6)Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent). (7)Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (8)Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000". (9)Not having a marital relationship or a relative within the second degree of kinship to any other director of the company. (10)Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>None</p>
<p>Director Chin-Huo Huang</p>	<p>Possesses five or more years of work experience required for the Company's business</p>	<p>(1)Not an employee of the company or any of its affiliates. (2)Not a director or supervisor of the company or any of its affiliates.</p>	<p>None</p>
<p>Director LARGOU MORI CO., LTD Representative Cheng Shenhao</p>	<p>Possesses five or more years of work experience required for the Company's business</p>	<p>(3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.</p>	<p>None</p>
<p>Independent director Lewis Lee</p>	<p>Possesses five or more years of work experience required for the Company's business accountant, who has passed a national examination and received a certificate therefor</p>	<p>(4)Not a spouse, relative within second degree of kinship, or lineal relative within third degree of kinship of any of the persons in the preceding three paragraphs. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of</p>	<p>3</p>

Name \ Criteria	Professional qualifications and experience	Independent status	Number of other public companies in which the Director also serves as an Independent Director
Independent director Chih-Poung Liou	Possesses five or more years of work experience required for the Company's business attorney, who has passed a national examination and received a certificate therefor	the officer in the preceding 1 subparagraph, or of any of the abovepersons in the preceding subparagraphs 2 and 3. (5)Not a director, supervisor, or employee of a	None
Independent director Jih-Ching Chiu	Possesses five or more years of work experience required for the Company's business Currently serving as a Associate Professor, National Sun Yat-sen University	<p>corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law.</p> <p>(6)Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company.</p> <p>(7)Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent).</p> <p>(8)Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company.</p> <p>(9)Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000".</p> <p>(10)Not having a marital relationship or a relative within the second degree of kinship to any other director of the company.</p> <p>(11)Not been a person of any conditions defined in Article 30 of the Company Law.</p> <p>(12)Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	None

Note: According to the Rules Governing Review of Securities Listings as well as the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained the statement of independence for each independent director and confirms that all of them meet the independence requirements stipulated by laws and regulations.

5. Diversity and independence of the Board of Directors

(1) Diversity of the Board of Directors:

Based on the policy of diversification and strengthening of corporate governance in order to promote the sound development of the Company's board composition and structure, the nomination of candidates for directors of the Company shall be adopted the candidate nomination system in accordance with the provisions of the Company's Articles of Incorporation. Each candidate's academic qualifications, work experience, professional background, integrity or relevant professional qualifications, and others are evaluated and considered. After the Board of Directors passed the resolution, the proposed nominees will be submitted to the Shareholders Meeting for election. With regard to the board composition, it is advisable that the number of the directors who concurrently serve as the managers of the Company should not exceed one-third of the board seats. In addition, the Company has, based on its own operations, operational patterns and developmental needs, formulated appropriate diversification policies including but not limited to the following:

A. Basic conditions and value: gender, age, nationality and culture.

B. Professional knowledge and skills: operational judgment capability, accounting and financial analysis capability, business management capability, risk management capability, industry knowledge, international market outlook, leadership capability, and decision-making capability.

The current Board of Directors of the Company consists of seven directors. The specific management objectives of the board diversity policy and their achievement status are as follows:

Diversity management objectives	Achievement status
The number of independent directors exceeds one third of the board seats	Done
It is advisable that the number of the directors who concurrently serve as the managers of the Company should not exceed one-third of the board seats.	Done
The independent directors shall not hold office for more than 3 terms.	Done
Adequate and diverse professional knowledge and skills	Done

The implementation status of the board diversity policy is as follows:

Core of diversity Name		Basic composition						Professional background					Professional knowledge and capabilities							
		Nationality	Gender	Employee	Age			seniority of independent directors (less than 3 years)	Accounting	Industry	Finance	Technology	Law	Operational judgment capability	Business management capability	Leadership and decisionmaking capability	Risk Management capability	Industry knowledge	International Market outlook	
					51 / 60	61 / 70	71 / 80													
Director	Chih-Hung Ouyang	ROC	Male	v	v				v			v		v	v	v	v	v	v	
	Chang chun Investment Co. Ltd. Representative: Chih-Chuan Chen		Male			v			v	v	v		v	v	v	v	v	v	v	v
	Chin-Huo Huang		Male				v			v			v	v	v	v	v	v	v	v
	LARGOU MORI CO., LTD Representative: CHENG SHENHAO		Male			v				v			v	v	v	v	v	v	v	v
Independent director	Lewis Lee		Male			v		v	v				v	v	v	v	v	v	v	
	Chih-Poung Liou		Male			v						v	v	v	v	v	v	v	v	
	Jih-Ching Chiu		Male			v			v			v	v	v	v	v	v	v	v	

(2) Independence of the Board of Directors: The Board of Directors of the Company consists of seven directors, of which three are independent directors (50% of all directors), as well as the independent directors are more than half of the board seats. As of 2022.12.31, In addition, all of

independent directors comply with the regulations of the Securities and Futures Bureau and none of the circumstances prescribed in paragraph 3 and paragraph 4, Article 26-3 of the Securities Exchange Act exist among the directors and independent directors. The Board of Directors of the Company is independent (Please refer to page 16-18 of this Annual Report -Disclosure of information on professional qualifications of directors and independence of independent directors). The Experience(Education), Gender and Work Experience(Please refer to page 13-14 of this Annual Report - Information of directors).

(2) Profile of President, Vice Presidents, Assistant Vice Presidents, and Department Directors

April 02, 2023; Unit: Shares; %

Title	Nationality	Name	Gender	Date appointed	Shares held		Shares held by spouse and children		Shares held in the name of others		Education/work experience	Other positions	Other officer, director or supervisor who is the spouse or a relative within second degree			Note
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Chairman & CEO	ROC	Chih-Hung Ouyang	Male	2001.10	3,807,191	6.24%	101,187	0.17%	-	-	Electrical Engineering, National Sun Yat-sen University - R&D Engineer, Acer Incorporated Project Manager, Ai West Co. Ltd. President, Micro Sova	President, Brogent Technologies Inc. Chairman, Fu Wu Investment Ltd. Chairman, Brogent Global Inc.	-	-	-	Note
Chief Financial Officer	ROC	Sui-Chuan Lin	Female	2013.01	214,781	0.35%	28,457	0.05%	-	-	Master Graduate from the Department of Finance, National Sun Yat-sen University - Finance Office at Chienmei Construction Development Corp. Finance Department Manager at Brogent Technology	Supervisor, Brogent Global Inc.	-	-	-	-
Vice President	ROC	Teng-Hung Lai	Male	2010.11	27,856	0.05%	-	-	-	-	Masters in the Department of Computer Science and Engineering at National Chung-Hsing University Technical Chief Officer at Meihsing Technology President of Liang Chuan Co. Ltd.	None	-	-	-	-
Sr. Director	ROC	Szu-Cheng Chen	Male	2020.04	6,830	0.01%	-	-	-	-	CAPCO, manager of HR and PR - Fu Jen Catholic University, Institute of Chemistry	None	-	-	-	-
Sr. Director	ROC	Chin-Wen Chuang	Male	2022.04	4,000	0.01%	-	-	-	-	The Doctorate Degree in Electrical Engineering from National Sun Yat-sen University. - The Dean of Department of Electrical Engineering of I-SHOU University,the Acting Director of Product Center of Brogent Technologies Inc.	None	-	-	-	-
Sr. Director	ROC	Yanlun Peng	Male	2022.04	8,780	0.01%	13,000	0.02%	-	-	Institute of Information Technology, University of Melbourne, Australia. - The General Manager's Special Assistant of Brogent Technologies Inc.,the Manager of Sales &	None	-	-	-	-

Title	Nationality	Name	Gender	Date appointed	Shares held		Shares held by spouse and children		Shares held in the name of others		Education/work experience	Other positions	Other officer, director or supervisor who is the spouse or a relative within second degree			Note
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
											Marketing Dept. 2 and the Acting Director of Attraction Operation Center.					

Note: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (i.e. increase the positions of independent directors or there should be more than half of directors who are not employees or managers in the same time):

The reason why the company's chairperson and general manager is the same person is to improve operation efficiency and execution of decision making, however, in order to strengthen the independence of board of directors, we have been actively cultivating suitable personnel for this position. In addition, the chairperson works closely with each director on the communication of company operation status and policy to carry out the governance of the company. In the future, the company may plan to increase positions of independent directors to improve the competency of board of directors and strengthen function of supervision. Currently we have actual measures as below:

1. Three of current independent directors have expertise in finance and accounting, legal and industry economy relatively, which allows efficient supervision competency.
2. The company will arrange training courses from Securities and Future Institute and other external facilities for each director to improve the operation efficiency of board of directors.
3. Independent directors can fully involve discussion and provide suggestions for reference on each functional committee to carry out the governance of the company.
4. No more than half members of the board of directors are employees or managers.

3. Remunerations to Directors, Supervisors, President, and Vice Presidents in recent years

(1) Remunerations to Directors (including Independent Directors) in the most recent year (2022)

Unit: NT\$ 1,000

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary				
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)				Allowances (D)		Salary, Bonuses, and Allowances (E)		Severance Pay (F)					Profit Sharing- Employee Bonus (G)			
		hogent	All companies in the consolidated financial statements	hogent	Companies in the consolidated financial statements	hogent	Companies in the consolidated financial statements	hogent	Companies in the consolidated financial statements	hogent	Companies in the consolidated financial statements	hogent	Companies in the consolidated financial statements	Cash bonus	Stock bonus	Cash bonus	Stock bonus		hogent	Companies in the consolidated financial statements		
Chairman & CEO	Chih-Hung Ouyang	-	-	-	-	-	-	42	42	(0.07)	(0.07)	3,091	3,091	-	-	-	-	3,133	3,133	(5.16)	(5.16)	None.
Director	Chang chun Investment Co. Ltd. Representative: Chih-Chuan Chen	-	-	-	-	-	-	36	36	(0.06)	(0.06)	-	-	-	-	-	-	36	36	(0.06)	(0.06)	None.
Director	Chin-Huo Huang	-	-	-	-	-	-	42	42	(0.07)	(0.07)	-	-	-	-	-	-	42	42	(0.07)	(0.07)	None.
Director	Largou mori Co. Ltd. Representative: Cheng Shen Hao	-	-	-	-	-	-	18	18	(0.03)	(0.03)	-	-	-	-	-	-	18	18	(0.03)	(0.03)	None.
Independent Director	Lewis Lee	744	744	-	-	-	-	182	182	(1.52)	(1.52)	-	-	-	-	-	-	926	926	(1.52)	(1.52)	None.
Independent Director	Chih-Poung Liou	744	744	-	-	-	-	150	150	(1.47)	(1.47)	-	-	-	-	-	-	894	894	(1.47)	(1.47)	None.
Independent Director	Jih-Ching Chiu	744	744	-	-	-	-	182	182	(1.52)	(1.52)	-	-	-	-	-	-	926	926	(1.52)	(1.52)	None.

* The compensation content disclosed in this table differs from the income concept of the Income Act; therefore, this table serves to disclose information rather than for tax purposes.

(2) Remunerations to President, and Vice Presidents in the last year (2022)

Unit: NT\$1,000

Title	Name	Salary (A)		Pension (B)		Bonus and special allowance (C)		Employee bonus (D)				Ratio of total A, B, C, and D to after-tax income (%)		Remuneration received from parent company or Investees other than subsidiaries
		Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent		All companies in consolidated statements		Brogent	All companies in consolidated statements	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus			
Chairman & CEO	Chih-Hung Ouyang	2,472	2,472	-	-	619	619	-	-	-	-	3,091 (5.09)	3,091 (5.09)	None.
Vice President	Teng-Hung Lai	1,918	1,918	108	108	378	378	-	-	-	-	2,404 (3.96)	2,404 (3.96)	None.
Vice President(Note)	Jyh-Jong Hwang	526	526	27	27	61	61	-	-	-	-	614 (1.01)	614 (1.01)	None.

* The compensation content disclosed in this table differs from the income concept of the Income Act; therefore, this table serves to disclose information rather than for tax purposes.

Note: Starting from 2022.04.01, the job title is Executive Assistance, and the application fee only includes the salary of the Vice President.

(3) Managerial officers with the top five highest remuneration amounts in a company (2022):

Unit: NT\$1,000

Title	Name	Salary (A)		Pension (B)		Bonus and special allowance (C)		Employee bonus (D)				Ratio of total A, B, C, and D to after-tax income (%)		Remuneration received from parent company or Investees other than subsidiaries
		Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent		All companies in consolidated statements		Brogent	All companies in consolidated statements	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus			
Chairman & CEO	Chih-Hung Ouyang	2,472	2,472	-	-	619	619	-	-	-	-	3,091 (5.09)	3,091 (5.09)	None
Chief Financial Officer	Sui-Chuan Lin	2,044	2,044	108	108	414	414	-	-	-	-	2,566 (4.23)	2,566 (4.23)	None
Vice President	Teng-Hung Lai	1,918	1,918	108	108	378	378	-	-	-	-	2,404 (3.96)	2,404 (3.96)	None
Sr. Director	Chin-Wen Chuang	1,660	1,660	103	103	327	327	-	-	-	-	2,090 (3.44)	2,090 (3.44)	None
Sr. Director	Szu-Cheng Chen	1,646	1,646	103	103	325	325	-	-	-	-	2,074 (3.42)	2,074 (3.42)	None

(4) Manager name and distribution situation regarding employee bonus in the last year (2022):

Unit: NT\$1,000

	Title	Name	Stock bonus	Cash bonus	Total	Total amount as a percentage of earnings (%)
Managerial officer	Chairman & CEO	Chih-Hung Ouyang	-	-	-	-
	Vice President	Teng-Hung Lai				
	Chief Financial Officer	Sui-Chuan Lin				
	Sr. Director	Szu-Cheng Chen				
	Sr. Director	Chin-Wen Chuang.				
	Sr. Director	Yan-lun Peng				

(5) Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years:

Unit: NT\$1,000

Title	Brogent				All companies in consolidated statements			
	2021		2022		2021		2022	
	Total	Ratio of total remuneration to net income (%)	Total	Ratio of total remuneration to net income (%)	Total	Ratio of total remuneration to net income (%)	Total	Ratio of total remuneration to net income (%)
Remunerations to Directors	2,892	(2.19)	2,884	(4.75)	2,892	(2.19)	2,884	(4.75)
Remunerations to Supervisors	-	-	-	-	-	-	-	-
Remunerations to President, and Vice Presidents	7,889	(5.98)	6,109	(10.06)	7,889	(5.98)	6,109	(10.06)

Note: The remuneration of the president and vice presidents decreased compared with 2021, because the vice

president, Jyh-Jong Hwang, was called executive assistant starting from 2022.04.01, and the declared amount only included the salary of the vice president.

(6) The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

A. Independent Director	Regardless of the company's profit or loss, the company can pay monthly remuneration, and the remuneration committee will adjust it according to the degree of participation in the company's operations and the value of its contribution, and submit it to the board of directors for approval.
B. Director	According to the articles of association of the company, no more than 2% of the annual profit will be used as the remuneration for the directors. However, if the company has accumulated losses, it should reserve the compensation amount in advance. Their individual remuneration is authorized to the board of directors according to their degree of participation in the company's operations and contribution value, and are negotiated in accordance with the usual standards in the industry.
C. Manager	The compensation committee of the company may determine the content and amount of the manager's salary based on the manager's degree of participation in the company's operations, the value of his contribution, and the achievement of performance goals, and participate in the industry's salary level.
D. Employee	Refer to the usual payment levels of relevant peers and listed companies to formulate reasonable salary measures to maintain the company's internal fairness and external competitiveness. In addition, according to the company's articles of association, if the company makes a profit in the year, it should allocate 5% to 15% as employee remuneration. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance.

4. Implementation of corporate governance

(1) Operations of the Board of Directors

1. In 2022, a total of 6 meetings of the Board of Directors were held in the most recent year. The attendance was as follows:

Title	Name (Note 1)	Attendance in person	By proxy	Attendance rate (%) (Note 2)	Note
Chairman	Chih-Hung Ouyang	6	-	100.00	Reelected on 2020.05.28 , Shall attend 6 tmies.
Director	Changchun Investment Co. Ltd. Representative: Chih-Chuan Chen	6	-	100.00	Reelected on 2020.05.28 , Shall attend 6 tmies.
Director	Chin-Huo Huang	6	-	100.00	Reelected on 2020.05.28 , Shall attend 6 tmies.
Director	LARGOU MORI CO., LTD. Representative: CHENG SHENHAO	3	-	100.00	Reelected on 2022.05.27 , Shall attend 3tmies.
Independent Director	Lewis Lee	6	-	100.00	Elected on,2020.05.28, Shall attend 6 tmies.
Independent Director	Chih-Poung Liou	5	1	83.33	Elected on,2020.05.28, Shall attend 6 tmies.
Independent Director	Jih-Ching Chiu	6	-	100.00	Elected on,2020.05.28, Shall attend 6 tmies.

Other matters that require reporting:

1. Matters stipulated in Article 14-3 of the Securities and Exchange Act and resolutions adopted by the Board of Directors, to which an Independent Director has a dissenting or qualified opinion that is on record or stated in a written statement, shall describe the date of the board meeting, term of the board, agenda items, opinions of Independent Directors, and actions taken by the company in response to the opinion of the Independent Directors: Please see Important resolutions adopted in Board of Directors' meeting.
2. Regarding Directors who recuse themselves from discussion or voting on an agenda item in which they have an interest, their names, agenda items, reason for recusal, and voting on an agenda item shall be stated: Please refer to the Opinions from all the directors in the record of Board of Directors' Meetings:
 - i). The 7th Board of Directors' meeting of the 12th Session on January 18, 2022
 1. Name of director: Chih-Hung Ouyang
 2. Content of the proposal: 2021 Year-End bonus Recommendations for Chairman and managers.
 3. Reasons for recusal and the participation in the voting :
Director Chih-Hung Ouyang recused the meeting due t o conflict of interest and avoided the discussion and resolution. The proposal as proposed was unanimously approved by all attending directors.
 - ii). The 7th Board of Directors' meeting of the 16th Session on November 9, 2022
 1. Name of director: Chih-Hung Ouyang
 2. Content of the proposal: reviewed the proposal of this company's "case of reinvestment company provide an endorsement guarantee "
 3. Reasons for recusal and the participation in the voting :
The proposal as proposed was unanimously approved by all attending directors.
3. Director Chih-Hung Ouyang recused the meeting due to conflict of interest and avoided the discussion and resolution. The version of proposal was unanimously approved by all attending directors.
4. An evaluation of the goals set for strengthening the functions of the Board (e.g., setting up an auditing

Title	Name (Note 1)	Attendance in person	By proxy	Attendance rate (%) (Note 2)	Note
committee and enhancing information transparency) and implementation status during the current and immediately preceding fiscal years:					
(1) The operation of the Board of the Company complies with laws and regulations, the Articles of Incorporation, and the Exercise of Powers of the resolutions in shareholders' meetings. All Directors adhere to the principle of good faith and duty of care in addition to possessing the expertise, skills, and literacy required for exercising their powers, in order to maximize benefits for all of their shareholders.					
(2) To establish a favorable governing system for the Company's Board of Directors, a sound supervision function, and strengthened management mechanism, the Company formulated the Board of Director Meeting Agenda Regulations in accordance with Article 26-3 of the Securities and Exchange Act, including agenda items, execution of operations, matters that should be recorded in meeting minutes, announcements, and other matters that should be adhered to, and the aforementioned shall be handled in accordance with the formulated regulations.					
(3) In addition to regularly conducting self-examination of the operation of the Board of Directors and reinforcing the functions of the Board, the Company requires its internal auditors to produce auditing reports that describe the Board operations in order to conform with government regulations.					
(4) Establish a Remuneration Committee to assist the Board of Directors in executing its duties.					

Note 1: Directors and Supervisors who are also legal persons shall disclose the name of corporate shareholders and their representatives.

Note 2:(1) For Directors or Supervisors who resigned from their position prior to the end of the financial year, the date of their resignation shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Board during their tenure and their attendance in person.

(2) For changes to Directors or Supervisors before the end of the financial year, the new and old Directors or Supervisors shall be listed and Directors or Supervisors who are old or new and the date of their reelection and changes shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Board during their tenure and their attendance in person.

2. Evaluation performance of Operations of the Board of Directors

Frequency of evaluation (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Method of evaluation (Note 4)	Content of evaluation (Note 5)
Once a year	2022.01.01 ~ 2022.12.31	Board of Directors and individual board member	Self- evaluation/ Remuneration committee	Including the situation of attending the board meeting, understanding and articulating in the discussion of the proposal before the meeting, the situation of interacting with the management team, the situation of observing laws and codes of practice, the improvement of corporate governance, the continuous study of courses related to corporate governance, the situation of understanding the company and the management team and the industry , Other projects designated by the competent authority or the board of directors, etc.

Note1: For example, once a year.

Note2: For example, the performance period during 1/1/2022~12/31/2022.

Note3: Performance of Board of Directors, individual member and functional committee.

Note4: Methods of evaluations: the internal evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note5 : Content of evaluation at least should include below following:

- (1) Performance of Board of Directors : Participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control.
- (2) The criteria for evaluating the performance of the board members : alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education and internal control.
- (3) Performance of functional committees should cover : Awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members and internal control.

(2)1. Audit Committee Meeting Status

The Audit Committee has held 6 (A) meetings in the most recent year, the attendance of the independent directors is as follows:

Title	Name	Attendance in person(B)	Attendance rate (%) 【B/A】 (Note)	Note
Independent director	Lewis Lee	6	100.00	Shall attended 6 times.
Independent director	Chih-Poung Liou	5	83.33	Shall attended 6 times.
Independent director	Jih-Ching Chiu	6	100.00	Shall attended 6 times.

Other items to be recorded:

1. The operation of the Audit Committee shall state the board meeting's date, period, content of the proposal, resolution of Audit Committee and the company's opinion on resolution of Audit Committee if any of the following circumstances occurs.

(i). Matters listed in Article 14-5 of the Securities and Exchange Act

Audit Committee	Content of motion	Article 14-5 of the Securities and Exchange Act of the ROC	Minutes of Audit Committee	Company reaction base on the opinion of Audit Committee	Independent directors' objections, reservations or major suggestions
In the 7th session of the 12th Audit Committee on Jan. 18, 2022	1. The Evaluation Plan of the Independence of CPAs. 2. The appointment of Deloitte & Touche to handle the 2022 annual financial and tax report audit (review), certify and the audit and non-audit fees.	V V	All attendees of Independent Directors have no objection	All attendees of Directors have no objection	None.
In the 7th session of the 13th Audit Committee on Mar. 8, 2022	1. The 2021 Statement on Internal Control. 2. The 2021 Business Report and Financial Statements. 3. The Chart of 2021 Deficit Compensation. 4. The case of the company's uncollected accounts receivable within 3 months of the normal credit period in the fourth quarter of 2021 are not classified as capital loan cases. 5. The capital increase case of the company's 100% shareholding sub-subsidiary, StarLite Design & Planning Limited.	V V V V V			
In the 7th session of the 14th Audit Committee on May. 11, 2022	1. The 2022 First Quarter Financial Report. 2. The case of the company's uncollected accounts receivable within 3 months of the normal credit period in the first quarter of 2022 are not classified as capital loan cases. 3. The case of disposal of assets by the company.	V V V			

Title	Name	Attendance in person(B)	Attendance rate (%) 【B/A】 (Note)	Note
In the 7th session of the 15th Audit Committee on Aug. 11, 2022		1. The 2022 Second Quarter Financial Report. 2. The company acquired the equity of Discover NY, Project LLC.	V V	
In the 7th session of the 16th Audit Committee on Nov. 9, 2022		1. The 2022 Third Quarter Financial Report. 2. The case of the company's uncollected accounts receivable within 3 months of the normal credit period in the third quarter of 2022 are not classified as capital loan cases. 3. The company to handle the endorsement guarantee case for 100% of the subsidiaries.	V V V	
In the 7th session of the 17th Audit Committee on Dec. 28, 2022		1. The 2023 Audit Plan. 2. The revision of the internal control system. 3. The company's self-compiled financial report management method proposal.	V V V	

(ii). Except the foregoing matters, other resolution not be approved by the audit committee but approved by more than two thirds of all directors: None.

2. For the Independent Director's recusal to the proposal with interest, the name of the independent director, the content of the proposal, the reasons for recusal and the participation in the voting shall be stated: None.

3. Communication between independent directors and internal audit supervisors and CPA (shall include important matters, methods and results of communication on the company's financial and business conditions)

(i). The audit supervisor submits an audit plan report to the independent directors in the month following the completion of the audit items. The independent directors have no objections.

(ii). The independent director has no objection to the audit report of the audit supervisor.

(iii). The audit supervisor will report the audit plan for the next year before the end of each fiscal year, and report it to the board of directors for resolution after being approved by the audit committee.

(iv). The Company has provided contact telephone numbers and email addresses between independent directors The Company has provided contact telephone numbers and email addresses between independent directors (members of the Audit Committee) and internal audit supervisors for direct contact and communication each other. The audit supervisors of the company shall sit in each audit report of the board of directors and consult the independent directors (members of the audit committee) and internal audit supervisors for direct contact and communication each other. The audit supervisors of the company shall sit in each audit report of the board of directors and consult the independent directors (members of the audit committee) and internal audit supervisors for direct contact and communication each other. The audit supervisors of the company shall sit in each audit report of the board of directors and consult the independent directors (members of the audit committee) and internal audit supervisors for direct contact and communication each other.

Title	Name	Attendance in person(B)	Attendance rate (%) 【B/A】 (Note)	Note
<p>committee).mittee).</p> <p>(v). The company's annual internal control effectiveness assessment and internal control statement shall be submitted to The company's annual internal control effectiveness assessment and internal control statement shall be submitted to the Audit Committee for reviewthe Audit Committee for review..</p> <p>(vi). The annual financial report and semiThe annual financial report and semi--annual financial report of the company shall be submitted toannual financial report of the company shall be submitted to the board of the board of directors for resolution after approval by more than onedirectors for resolution after approval by more than one--half of all members of the audit committee. Prior to the half of all members of the audit committee. Prior to the review of the financial report, the Audit Committee will discuss and communicate with the CPA in advance about review of the financial report, the Audit Committee will discuss and communicate with the CPA in advance about the results of ththe results of the audit.e audit.</p>				

Note:

- * For Independent Directors who resigned from their position prior to the end of the financial year, the date of their resignation shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Board during their tenure and their attendance in person.
- * For changes to Independent Directors before the end of the financial year, the new and old Independent Directors shall be listed and Independent Directors who are old or new and the date of their reelection and changes shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the audit committee during their tenure and their attendance in person.

2. The Supervisor attendance was as follows

Not applied. The Company has established the Audit Committee to replace the Supervisors.

(3)Corporate governance implementation status and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Assessed areas	State of Operations			Non-implementation and Its Reason(s)
	Yes	No	Summary	
1. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		Handled in accordance with Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	No discrepancy.
2. Shareholding structure & shareholders' rights (1) Does the company establish internal operating procedures for handling shareholder suggestions, questions, complaints or litigation and handled related matters accordingly? (2) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders? (3) Does the company establish and implement risk management and firewall systems between the Company and its affiliates? (4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(1) The Company has stock affairs specialists and a stock affairs proxy agency to assist with handling such affairs. (2) Yes, according to the shareholders' registry provided by the stock affairs proxy agency, and we regularly report changes to the stock rights of our Directors, Supervisors, and managerial officers. (3) The Company has set up internal rules in the Company's Internal Control System and Affiliated Corporations Management. (4) The Company's operation is conducted according to the extent of internal control.	No discrepancy.
3. Composition and responsibilities of the Board of Directors (1) Does the Board of Directors develop and implement a diversified policy for the composition of its members? (2) Does the company voluntarily establish other functional committees in addition to	V		(1) The Company has set up 7 seats for Directors (including 3 seats for Independent Directors). (2) The Company has established a Remuneration Committee and proposed recommendations regarding the remunerations to its Directors, Supervisors, and managerial officers.	No discrepancy.

Assessed areas	State of Operations			Non-implementation and Its Reason(s)
	Yes	No	Summary	
remuneration committee and audit committee? (3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal? (4) Does the company regularly evaluate the independence of CPAs?			(3) The Company currently has no method for evaluating the performance of the Board of Directors. (4) The Company regularly evaluates the independence of CPAs. The Company's CPAs are hired by the Board of Directors at least once per year, and they have no interest relationship with the Company and are strictly independent .	
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	V		We arrange specific officers in charge of corporate governance affairs	No discrepancy.
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, and properly respond to corporate social responsibility issues of concern to the stakeholders?	V		The Company has a spokesperson and representative spokesperson who act as the communication channel for the Company.	No discrepancy.
6. Does the company designate a professional shareholder service agency to deal with shareholder affairs?	V		The Company commissions the stock affairs agency department of Taishin Securities Co., Ltd to handle shareholder affairs.	No discrepancy.

Assessed areas	State of Operations			Non-implementation and Its Reason(s)
	Yes	No	Summary	
<p>7. Information disclosure</p> <p>(1) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status?</p> <p>(2) Does the company have other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on the company website)?</p> <p>(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?</p>	V		<p>(1) Web address: www.brogent.com; the Company has designated personnel to collect and disclose Company information.</p> <p>(2) Spokesperson: President Chih-Hung Ouyang; investors can also access the Company's information regarding the company's financial, business and corporate governance status from the Market Observation Post System.</p> <p>(3) Handle within the prescribed time limit.</p>	No discrepancy.
<p>8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and Supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies,</p>	V		<p>(1) Employee rights protection and employee care measures adopted by the Company: The Company provides equal employment opportunities, offers employee group insurance, arranges health check ups regularly, and establishes legal employee welfare committee to protect employee rights. Furthermore, we comply with law in enrolling every employee in labor and health insurance and disburse pension reserve funds to them. The Company establishes</p>	No discrepancy.

Assessed areas	State of Operations			Non-implementation and Its Reason(s)
	Yes	No	Summary	
and purchasing insurance for Directors and Supervisors)?			<p>appropriate channels for employees to file their complaint and values the importance of employee training.</p> <p>(2) The Company's relationship with its investors: The Company holds shareholder meetings according to law every year and adequately gives its shareholders the chance to raise questions and make proposals. In addition, we also have set up spokespersons and representative spokesperson in accordance with law and designate them to handle matters between the Company and its investors. Moreover, the Company announces and reports any information that should be disclosed as required by the competent authorities. Thus, information that potentially influences investor decisions is provided in real-time.</p> <p>(3) The Company maintains a smooth communication channel with its suppliers and stakeholders, including partner banks, other creditors, employees, and clients.</p> <p>(4) Continuing education of Directors and Supervisors: The members of the Company's Board of Directors possess professional backgrounds and practical experience in business management; they occasionally attend relevant educational courses. The continuing education status of the Board of Directors in 2020 and 2021 to the print date of the Prospectuses are displayed in the following table.</p> <p>(5) Implementation status of risk management policies and standard risk measures: The</p>	

Assessed areas	State of Operations			Non-implementation and Its Reason(s)
	Yes	No	Summary	
			<p>Company emphasizes the importance of risk management, complies with relevant laws and regulations in executing various policies, and establishes internal auditors who ensure that the execution of relevant policies conforms to regulations.</p> <p>(6) Accountability insurance for Directors and Supervisors: The Company has purchased relevant accountability insurance for its Directors, Supervisors, and managerial officers.</p>	
<p>9. Please provide explanations for the improvement made according to the results of the corporate governance evaluation by the Corporate Governance Center of Taiwan Stock Exchange during the most recent year, and details on the priority issues and measures for the areas yet to be improved (not applicable to the companies not evaluated).</p> <p>In 2022, the company's corporate governance focus on improving the interests of shareholders. The company will continue to strengthen the structure and operation of the Board of Directors, reinforce the function of the Board of Directors and enhance the quality of disclosure for non-financial information to strengthen the corporate governance information.</p> <p>Note : The items in auditor's qualifications and independence assessment form are as follows : 1. As of the latest audit, there have been no circumstances where no replacement had happened for seven years. 2. There is no major conflict of financial interests with the client. 3. To avoid having any inappropriate relationship with the client. 4. The CPAs should ensure that their assistants are honest, fair, and independent. 5. The CPA cannot audit the financial statements for organizations they served for within two years before they took the job. 6. The CPAs' name cannot be used by others. 7. The CPA does not hold any stocks of the Company or its affiliated enterprises. 8. The CPA does not loan money from the Company or its affiliated enterprises. 9. The CPA has no joint investment or profit-sharing relationship with the Company or its affiliated enterprises. 10. The CPA does not concurrently hold a regular position in the Company or its affiliated enterprises and receive fixed salary. 11. The CPA does not involve the managerial decision-making of the Company or its affiliated enterprises. 12. The CPA has not engaged in any other business that could compromise their independence. 13. The CPA is not the spouse or a relative within second degree in kinship with the management personnel of the Company.</p>				

Assessed areas	State of Operations			Non-implementation and Its Reason(s)
	Yes	No	Summary	
<p>14. The CPA has not received any commission related to the business.</p> <p>15. As for now, there have been no incidents of the CPA disciplinary action or damage to the principle of independence.</p> <p>The Audit Committee and the Board of Directors of the Company approved that the CPAs meet the requirements of independent assessment, the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies " and AQIs on January 13, 2023.</p>				

The Continuing Education Status of Directors and Supervisors in 2021 and 2022 to the date of this Annual Report				
Title	Name	Organizer	Course name	Hours
Chairman	Chih-Hung Ouyang	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3 hours
			Legal Issues Relating to ESG for Consideration by the Board of Director	3 hours
Director	Changchun Investment Co. Ltd. Representative: Chih-Chuang Chen	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct – A Manual to Corporate Internal Investigation	3 hours
			The principle of fair and good faith in contracting for fair treatment – Insurance Case Studies	1 hour
			The latest IFRS 17 related issues	3 hours
		Taiwan Insurance Institute	Anti-Money Laundering and Countering the Financing of Terrorism Seminar-Director, Supervisor and President.	1 hour
Director	Chin-Huo Huang	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3 hours
			Legal Issues Relating to ESG for Consideration by the Board of Director	3 hours
Director	LARGOU MORI CO., LTD Representative CHENG SHENHAO	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3 hours
			Legal Issues Relating to ESG for Consideration by the Board of Director	3 hours
		Taipei Exchange	Insider equity publicity briefing of the TPEX/ESB Listing companies	3 hours
		Accounting Research and Development Foundation	Driving the Green Transition: Towards Net Zero Carbon Emissions	3 hours
Independent Director	Lewis Lee	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3 hours
			Legal Issues Relating to ESG for Consideration by the Board of Director	3 hours
Independent Director	Chih-Poung Liou	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3 hours

The Continuing Education Status of Directors and Supervisors in 2021 and 2022 to the date of this Annual Report				
Title	Name	Organizer	Course name	Hours
			Legal Issues Relating to ESG for Consideration by the Board of Director	3 hours
Independent Director	Jih-Ching Chiu	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3 hours
			Legal Issues Relating to ESG for Consideration by the Board of Director	3 hours

(4) If the company has established a remuneration committee, it shall disclose the composition, duties, and operation of the committee

1. Members of the Compensation Committee

Identity	Conditions Name	Professional qualifications and experience	Independent status	Number of other public companies in which the individual is concurrently serving as the Remuneration Committee member
Convenor and independent director	Chih-Poung Liou	Please refer to 4. Disclosure of information on professional qualifications of directors and independence of independent directors on page 17 for the relevant content.	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.	NONE
Independent Director	Lewis Lee		(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or	3

Identity	Conditions Name	Professional qualifications and experience	Independent status	Number of other public companies in which the individual is concurrently serving as the Remuneration Committee member
Independent Director	Jih-Ching Chiu		<p>that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Law.</p> <p>(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</p> <p>(7) If the chairman, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p> <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(11) Not been a person of any conditions defined in Article 30 of the Company Law.</p> <p>(12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	NONE

2. State of operations of the compensation committee

(A) The Compensation Committee comprises 3 members.

Current term of office: June 19, 2020–May 27, 2023; a total of 2 (A) meetings of the Compensation Committee were held in the most recent year. The members' qualifications and attendance were as follows:

Title	Name	Attendance in person (B)	By proxy Frequency	Attendance rate (%) 【B/A】	Note
Convenor-Independent Director,	Chih-Poung Liou	2	-	100.00	-
Independent Director,	Lewis Lee	2	-	100.00	-
Independent Director,	Jih-Ching Chiu	2	-	100.00	-

Other matters that require reporting:

1. If the Board of Directors did not adopt or revised the recommendations of the compensation committee, describe the date of the board meeting, term of the board, agenda item, resolutions adopted by the board, and actions taken by the company in response to the opinion of the compensation committee (if the remunerations approved by the Board of Directors are better than those recommended by the compensation committee, describe the difference and reasons): None.
2. If with respect to any resolution of the compensation committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members: None.

Note:

- *For Compensation Committee who resigned from their position prior to the end of the financial year, the date of their resignation shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Board during their tenure and their attendance in person.
- *For changes to Compensation Committee before the end of the financial year, the new and old Independent Directors shall be listed and Independent Directors who are old or new and the date of their reelection and changes shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the audit committee during their tenure and their attendance in person.

(5) Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission

Assessed areas	State of Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary (Note 3)	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		The President Office was in charge of promoting CSR, and is still committed to the implementation of social responsibility.	No discrepancy.
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		Brogent has formulated the “Sustainable Development Best Practice Principles”. Regularly hold Employee Code of Conduct, Self-defense Firefighting Team Training, Information Security, Sexual Harassment Prevention and other social responsibility-related education training and advocacy.	No discrepancy.
3. Environmental issue (1) Does the company establish a proper environmental management system based on the characteristics of the industry? (2) Does the company endeavor to improve the efficiency of resource utilization and use recycled materials which have a low impact on the environment? (3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics? (4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V		(1) Yes the company has set up environmental management and discloses relevant information on its website. (2) The Company generally endeavor to increase the efficiency of resource utilization and use environmentally friendly materials as much as possible to reduce the impact on the environment. (3) For the potential risks and opportunities caused by climate change from now on, Brogent has especially isured to amortize the property damage. We are aggressively devoted ourselves to researching and developing the indoor amusement (training) facilities and hopefully we can create commercial opportunities under	No discrepancy.

Assessed areas	State of Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary (Note 3)	
			<p>the influence of extreme weather.</p> <p>(4) The company regularly monitors the air quality of the office environment, uses LED lighting and solar power generation devices, and installs energy-saving central air-conditioning control systems and full heat exchangers to effectively maintain air quality and energy-saving and carbon-reduction purposes, and exposes energy use on the company's website With an overview of greenhouse gas emissions.</p>	
<p>4. Social issue</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p> <p>(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?</p> <p>(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?</p> <p>(4) Has the Company established effective career development training plans?</p> <p>(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?</p> <p>(6) Does the Company set supplier management policy and request suppliers to comply with related</p>	V		<p>(1) The company follows international principles, respects internationally recognized basic human rights, including caring for vulnerable groups, prohibiting child labor, eliminating employment and employment discrimination, etc., and abides by labor-related laws and regulations where the company is located.</p> <p>(2) The Company adheres to the labor regulations in the Labor Standards Act to protect employees' legal rights. In addition, the Company disburses pension fund and labor welfare fund in accordance with law. Concurrently, the Company and its employees have also established employee welfare committee and hold employer-employee meetings to implement various welfare activities and coordinate employer-employee relationship, thereby promoting matters related to employer-employee cooperation.</p> <p>(3) The Company endeavors to provide a safe and</p>	No discrepancy.

Assessed areas	State of Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary (Note 3)	
standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?			<p>healthy working environment and provide employees with regular safety and health training.</p> <p>(4) The company's training plan is based on supervisors / general employees, taking regular training / unscheduled training, and depending on the content of each department, in order to effectively train employees' related capabilities.</p> <p>(5) The company has a customer service department dedicated to handling consumer rights protection and appeals. Company products are designed and manufactured in accordance with standard regulations of various countries. These products have also been certified by the following: China: GB-8408 Amusement Device Safety Code(Amusement device safety Cood) Europe: EN-13814(Fairground and amusement park machinery and Structure-Safety) USA and Canada: ASTM-F2291 (Standard Practice for Design of Amusement and Devices)</p> <p>(6) YES, a list of supplier evaluation standards was added. The Company upholds the principle of ethical corporate management and collectively cooperate with the suppliers in development projects to facilitate coexistence and collective prosperity.</p>	
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the	V		The company has prepared corporate sustainability report with reference to internationally-prepared reporting standards or guidelines and the Report	No discrepancy.

Assessed areas	State of Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary (Note 3)	
Company? Has the said Report acquire third party verification or Statement of assurance?			was certified by the British Standards Institution in accordance with Type 1 assurance in AA1000AS v3.	
6.If the Company has established its sustainable development code of practice according to “Listed Companies Sustainable Development Code of Practice,” please describe the operational status and differences.: Not applicable.				
7. Other important information to facilitate better understanding of the Company’s implementation of sustainable development: The Company discloses relevant information regarding its corporate social responsibility on its website, annual report, the prospectuses, and sustainability report.				

Note 1: If companies select "Yes" in the Summary column, please specify the relevant policy, strategy and the result of implementation, and if companies select "No" in the Summary column, please explain the reason and describe future improvements or relevant management guidelines and goals.

Note 2: Principle of materiality may refer to the significant impact on the rights and interests of stakeholders while companies are advised to promulgate their own corporate social responsibility principles in accordance with the Principles to manage their economic, environmental and social risks and impact.

(6) Implementation of ethical corporate management and deviations from ethical corporate management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

Assessed areas	State of Operations			Causes for the Difference
	Yes	No	Summary	
<p>1. Establishment of ethical corporate management policy and approaches</p> <p>(1) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?</p>	V		<p>(1) The Company strictly adheres to the laws and regulations stipulated in the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and other regulations for listed and OTC companies. The Company has formulated internal control systems according to regulations, established internal auditing office, and ensured the effective implementation of relevant operations, to realize the fundamental concepts of ethical corporate management.</p> <p>(2) The Company has formulated Ethical Corporate Management Principle according to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and promoted the importance of ethical code of conduct, educating each employee on the company's core value and compliance systems. The Company regularly offers training programs.</p> <p>(3) The Company requires its Directors, managerial officers, and employees to refrain from engaging in bribery or providing illegal political donations during a business activity. The Company stipulates that they may not directly or indirectly provide or receive unreasonable gifts, treatments, or other improper benefits to prevent employees from</p>	No discrepancy.

Assessed areas	State of Operations			Causes for the Difference
	Yes	No	Summary	
			pursuing personal interests at the expense of the company's rights and interests.	
<p>2. Implementation of ethical corporate management</p> <p>(1) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts?</p> <p>(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?</p> <p>(3) Does the company establish policies to prevent conflicts of interest, provide appropriate channels for filing related complaints and implement the policies accordingly?</p> <p>(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?</p> <p>(5) Does the company hold internal and external educational trainings on operational integrity regularly?</p>	V		<p>(1) The Company's clients and suppliers are mostly well-known companies whose ethical management information is easily accessible. When signing a business contract, the contract also incorporates regulations regarding ethical management.</p> <p>(2) Sustainable Development Best Practice Principles In order to improve the management of integrity operation, Chairman's Office of this Company is responsible for the formulation of the integrity operation policy and prevention plan, and is supervised and implemented by the auditing unit and regularly reports to the Board of Directors. This time reported the situation of execution to the Board of Directors on Dec. 28, 2022.</p> <p>In 2022, the company held two sessions of Employee Behavior Education Training Course, which is a mandatory course for all employees. This training course covers topics including conflict of interest avoidance, antitrust prevention, insider trading prevention and workplace conduct. The courses lasted for 1.5 hours each, with 287 participants and 430.5 hours in total. Employees are required to pass a quiz after the course.</p> <p>(3) The Company has an Internal Material</p>	No discrepancy.

Assessed areas	State of Operations			Causes for the Difference
	Yes	No	Summary	
			<p>Information Processing Operating Procedure, specifying that Directors, managerial offices, and employees may not leak internal material information to others, inquire the company's internal material information from others, or collate unpublished internal material information of companies that are irrelevant to their job duties. They are also prohibited from leaking the company's unpublished internal material information to others.</p> <p>(4) To implement ethical management, the Company has established effective accounting system and internal control system, and has internal auditors regularly check the situation regarding compliance with the aforementioned systems. To implement ethical management, the Company has established effective accounting system and internal control system, and has internal auditors regularly check the situation regarding compliance with the aforementioned systems.</p> <p>(5) The Company promotes the concepts of ethical management in Director training and Employee behavior education training course managerial meetings.</p>	
<p>3. Operation of whistleblowing system</p> <p>(1) Does the company establish concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?</p>	V		<p>(1) Brogent has formulated the “Reporting Policy of Unlawful or Unethical Actions”, if you find any violation of company policies or laws, you can notify Brogent through legal channels or the</p>	No discrepancy.

Assessed areas	State of Operations			Causes for the Difference
	Yes	No	Summary	
<p>(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?</p> <p>(3) Does the company provide proper whistleblower protection?</p>			<p>official website.</p> <p>(2) Yes. Brogent received the investigation processing procedures for reported incidents were also detailed on our Company's website. Set up a unified dedicated external e-mail mailbox (legal@brogent.com), reports of business conduct and complaints on the official website are sent and received through the dedicated mailbox.</p> <p>(3) Brogent maintain strict confidentiality with respect to the source of the report and investigate all information, as well as take special measures to protect whistleblowers, so as to reduce such incidents as corruption and malfeasance.</p>	
<p>4. Enhancing information disclosure</p> <p>Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?</p>	V		The Company has set up a website for disclosing corporate governance information.	No discrepancy.
<p>5. If the company has established Ethical Corporate Management Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", describe any discrepancy between the principles and their implementation: None.</p>				
<p>6. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., inspect and revise existing ethical management principles) None</p>				

(7) If the company has established corporate governance principles and related guidelines, disclose the means of accessing this information:

The company has formulated the "Corporate Governance Best Practice Principles" and related regulations, which have been disclosed on the company's website. In the future, relevant information will be disclosed on the company's website and public information observation station according to the actual operating conditions.

(8) Other significant information which may improve the understanding of corporate governance and operation: None.

(9) The following matters pertaining to the implementation status of internal control systems should be disclosed:

1. Statement on Internal Control: (Please refer to Appendix 1).
2. The Company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(10) Penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(11) Important resolutions adopted in shareholders meeting and Board of Directors' meeting in the past year and up to the date of report.

1. Shareholder's Meeting

Date of the meeting	Key issues in summary	Outcome of resolution	Facts of implementation
	<p>Reporting Items (1) 2021 Business Report (2) 2021 Supervisor's Audit Report (3) The status of issuing corporate bonds is hereby submitted for review.</p>	<p>All items passed and executed as scheduled.</p>	
<p>2022.05.27 (Shareholders' regular meeting)</p>	<p>Passed Items (1) 2021 Business Report and Financial Statements</p>	<p>The balloting outcome including votes exercised through electronic voting: 35,604,451 pro votes , accounting for 99.82% of the aggregate total votes; 11,039 con votes, 0 invalid vote, abstention/ Non-voting votes: 52,890 votes. The present issue is duly resolved exactly as proposed.</p>	<p>Reports and statements distributed to shareholders according to relevant laws and regulations</p>
	<p>(2) 2021 Deficit Compensation Statement</p>	<p>The balloting outcome including votes exercised through electronic voting: 35,598,437 pro votes , accounting for 99.80% of the aggregate total votes; 17,046 con votes, 0 invalid vote, abstention/ Non-voting votes: 52,897votes. The present issue is duly resolved exactly as proposed.</p>	<p>Reports and statements distributed to shareholders according to relevant laws and regulations</p>
	<p><u>Matters for Discussion and Votes</u> (1) Amendment of the Article of Incorporation.</p>	<p>The balloting outcome including votes exercised through electronic voting: 34,985,858 pro votes , accounting for 98.08% of the aggregate total votes; 628,633 con votes, 0 invalid vote, abstention/ Non-voting votes: 53,889votes. The present issue is duly resolved exactly as proposed.</p>	<p>The issue had been duly completed in enforcement exactly as amended.</p>

	(2) Amendment to Procedures for Acquisition and Disposal of Assets	The balloting outcome including votes exercised through electronic voting: 35,603,436 pro votes , accounting for 99.81% of the aggregate total votes; 11,052 con votes, 0 invalid vote, abstention/ Non-voting votes: 53,892 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.
	(3) By-election of director	The list of elected Direct: CHENG SHENHAO (The Representative of LARGOU MORI CO., LTD.) elected 35,398,584 votes.	Executed as resolved, the company has announced on MOPS .
	(4) The proposal for lifting the ban on competition between newly elected Directors and their representatives.	The balloting outcome including votes exercised through electronic voting: 35,603,436 pro votes , accounting for 99.77% of the aggregate total votes; 17,682 con votes, 0 invalid vote, abstention/ Non-voting votes: 62,956 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.

2.Board of Directors' Meeting

Date	Proposal	Opinions from all the independent directors and the company's response to such opinions
2022.01.18	Approved the Year-End Bonus Disbursement and Manager Year-End Bonus.	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
	Approved the Evaluation Plan of the Independence of CPAs.	
	Approved the appointment of Deloitte & Touche to handle the 2022 annual financial and tax report audit (review), certify and the audit and non-audit fees.	
	Approved the "third and fourth domestic unsecured conversion of corporate bonds" by base date of capital increase for issuance of new shares from November 1st to December 31st,2021.	
	Approved the Financing Application Plan.	
	Approved the change of the third phase of the investment plan for the Kaohsiung Software Park.	
2022.03.08	Approved the 2021 Statement on Internal Control.	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
	Approved the 2021 Business Report and Financial Statements.	
	Approved the Chart of 2021 Deficit Compensation.	
	Approved the Amendment to the Article of Incorporation.	
	Approved the Amendment to the Procedures for Acquisition or Disposal of Assets.	

Date	Proposal	Opinions from all the independent directors and the company's response to such opinions
	<p>Approved the by-election of directors of the company.</p> <p>Approved the proposal for lifting the ban on competition between newly elected directors and their representatives.</p> <p>Approved the case of the company's uncollected accounts receivable within 3 months of the normal credit period in the fourth quarter of 2021 are not classified as capital loan cases.</p> <p>Approved the capital increase case of the company's 100% shareholding sub-subsidiary, StarLite Design & Planning Limited.</p> <p>Approved the Proposal of Authorized amount of Loans by the Company to its Subsidiaries.</p> <p>Approved the Financing Application Plan.</p> <p>Approved the appointment of senior managers of the company.</p> <p>Approved the proposal to lift the ban on competition among the company's managers.</p> <p>Approved the change of senior managers of the company.</p> <p>Approved the Liability Insurance Renewal Plan for the Directors, Supervisors and Managers.</p> <p>Approved the change of the third phase of the investment plan for the Kaohsiung Software Park.</p> <p>Approved the Proposed Calling of 2022 General Shareholders' Meeting.</p>	
2022.05.11	<p>Approved the 2022 First Quarter Financial Report.</p> <p>Approved the case of the company's uncollected accounts receivable within 3 months of the normal credit period in the first quarter of 2022 are not classified as capital loan cases.</p> <p>Approved the Amendment to Operating Procedure for Prevention of Insider Trading.</p> <p>Approved the case of disposal of assets by the company.</p> <p>Approved the Financing Application Plan.</p> <p>Approved the company's greenhouse gas inventory and verification schedule plan.</p>	<p>Opinion from independent directors: none</p> <p>The company's response to such opinions: none</p> <p>Resolution: unanimous consent from all the directors present</p>
2022.08.11	<p>Approved the 2022 Second Quarter Financial Report.</p> <p>Approved the company acquired the equity of Discover NY, Project LLC.</p> <p>Approved the Formulation of Corporate Social Reponsible Best Practice Principles.</p> <p>Approved the formulation of the Risk Management Policy and Operating Procedures by the company.</p> <p>Approved the "third and fourth domestic unsecured conversion of corporate bonds" by base date of capital increase for issuance of new shares from May to July, 2022.</p> <p>Approved the Financing Application Plan.</p> <p>Approved the company's greenhouse gas inventory and verification schedule progress report.</p>	<p>Opinion from independent directors: none</p> <p>The company's response to such opinions: none</p> <p>Resolution: unanimous consent from all the directors present</p>
2022.11.09	<p>Approved the 2022 Third Quarter Financial Report.</p> <p>Approved the case of the company's uncollected accounts receivable within 3 months of the normal credit period in the third quarter of 2022 are not classified as</p>	<p>Opinion from independent directors: none</p> <p>The company's response to such opinions: none</p>

Date	Proposal	Opinions from all the independent directors and the company's response to such opinions
	<p>capital loan cases.</p> <p>Approved the company to handle the endorsement guarantee case for 100% of the subsidiaries.</p> <p>Approved the "third and fourth domestic unsecured conversion of corporate bonds" by base date of capital increase for issuance of new shares from August to October,2022.</p> <p>Approved the Financing Application Plan.</p> <p>Approved the company's greenhouse gas inventory and verification schedule progress report.</p>	Resolution: unanimous consent from all the directors present
2022.12.28	<p>Approved the 2023 Operating Budget Plan.</p> <p>Approved the 2023 Audit Plan.</p> <p>Approved the revision of the internal control system.</p> <p>Approved the company's self-compiled financial report management method proposal.</p> <p>Approved the company's formulation of internal major information processing measures.</p> <p>Approved the Amendment to Operating Procedure for Prevention of Insider Trading.</p> <p>Approved the Financing Application Plan.</p> <p>Approved Brogent issues a letter of support for our 100% reinvestment company, Brogent Global Inc.,to handle the bank's quota.</p>	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2023.01.13	<p>Approved the Year-End Bonus Disbursement and Manager Year-End Bonus.</p> <p>Approved the grade adjustment and salary proposal of the company's managers.</p> <p>Approved the Attendance Fee for the Directors Attending the Board of Directors or Shareholders' meeting.</p> <p>Approved the company's independent directors' the remuneration of directors, the attendance fee of the Audit Committee and the Remuneration Committee.</p> <p>Approved the company formulated the general principles of the company's pre-approval non-confirmation service policy.</p> <p>Approved the Evaluation Plan of the Independence of CPAs.</p> <p>Approved the appointment of Deloitte & Touche to handle the 2023&2024 annual financial and tax report audit (review), certify and the audit and non-audit fees.</p> <p>Approved the "third and fourth domestic unsecured conversion of corporate bonds" by base date of capital increase for issuance of new shares from November 1st to December 31st,2022.</p> <p>Approved the Financing Application Plan.</p> <p>Approved the company's greenhouse gas inventory and verification schedule progress report.</p>	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2023.03.15	<p>Approved the 2022 Business Report and Financial Statements.</p> <p>Approved the case of the company's uncollected accounts receivable within 3 months of the normal credit period in the fourth quarter of 2022 are not classified as capital loan cases.</p> <p>Approved the Chart of 2022 Deficit Compensation.</p>	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present

Date	Proposal	Opinions from all the independent directors and the company's response to such opinions
	Approved the Company's 2022 Capital Surplus Cash Dividend.	
	Approved the Proposal of Authorized amount of Loans by the Company to its Subsidiaries.	
	Approved the Liability Insurance Renewal Plan for the Directors and Managers.	
	Approved the company's comprehensive re-election of directors.	
	Approved the company's nomination of director candidates.	
	Approved the proposal for lifting the ban on competition between newly elected directors and their representatives.	
	Approved the salary adjustment proposal of the company's managers.	
	Approved the "third and fourth domestic unsecured conversion of corporate bonds" by base date of capital increase for issuance of new shares from January 1st to February 28th, 2023.	
	Approved the amendment of the company's "Approval Authority Form"	
	Approved the company's greenhouse gas inventory and verification schedule progress report and the group subsidiary's greenhouse gas inventory and verification schedule progress plan.	
	Approved the change in the amount of funds used of the "third and fourth domestic unsecured conversion of corporate bonds" issued by the company in 2020.	
	Approved the Proposed Calling of 2023 General Shareholders' Meeting.	
	Approved the 2022 Business Report and Financial Statements.	

(12) Dissenting or qualified opinion of Directors or Supervisors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report: None.

(13) Resignation and dismissal of managerial officers related to the financial report (including Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Corporate Governance, Chief R&D Officer and Audit Manager) in the past year and up to the date of report: None.

5. Information on fees to CPA

(1) Audit Fee

Unit: NT\$1,000

Name of accounting firm	CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee					Total	Note
				System of Design	Company Registration	audit of tax returns	Others	Subtotal		
Deloitte & Touche Certified Public Accountants Taiwan	Chiu-Yen Wu	2022/01/01	4,380	-	102	200	2,023	2,325	6,705	
	Lee-Yuan Kuo	~ 2022/12/31								

Note : Other Fee include cost operation optimization project 950 、 Sustainability Report or ESGReport 758 、 transfer pricing report 100 and others 215.

(2) If the company changes accounting firm and the amount of audit fee paid in the year of change is less than that in the year before: None.

(3) If the audit fee is more than 10% less than that paid in the previous year: None.

6. Changes to CPA information

(1) Concerning former CPA:

No relevant events in the last 2 years.

(2) Concerning succeeding CPA:

No relevant events in the last 2 years.

(3) Previous CPA response to items in Article 10.6.1 and 10.6.2.3 of the Criteria: None.

7. The Chairman, President, financial or accounting manager of the company who had worked for the certifying accounting firm or its affiliated enterprise in the past year : None.

8. Share transfer by Directors, Supervisors, managers and shareholders holding more than 10% interests and changes to share pledging by them in the past year and up to the date of report

(1) Changes to the share rights of Directors, Supervisors, managerial officers, and major shareholders

Title	Name	2022		Current year up to April 2	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairman & CEO	Chih-Hung Ouyang	-	-	-	-
Director	Changchun Investment Co. Ltd.	-	-	-	-
Director Representative	Chih-Chuan Chen	-	-	-	-
Director	Chin-Huo Huang	-	-	-	-
Director	LARGOU MORI CO., LTD.	35,000	1,700,000	-	-
Director Representative	CHENG SHENHAO	-	168,000	-	-
Independent Director	Lewis Lee	-	-	-	-
Independent Director	Chih-Poung Liou	-	-	-	-
Independent Director	Jih-Ching Chiu	-	-	-	-
Vice President	Teng-Hung Lai	-	-	-	-
Chief Financial Officer	Sui-Chuan Lin	-	-	-	-

Title	Name	2022		Current year up to April 2	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Sr. Director	Szu-Cheng Chen	-	-	-	-
Sr. Director	Chin-Wen Chuang	-	-	-	-
Sr. Director	Yanlun Peng	-	-	-	-

(2) Information on relative person of share transfer as related party: None.

(3) Information on relative person of share pledging as related party:None.

9. Information on relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

April 2, 2023; Unit: Shares; %

Name	Shareholding		Shares held by spouse and children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree).		Note
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship	
Chih-Hung Ouyang	3,807,191	5.90%	101,187	0.16%	-	-	Fu Wu Investment Ltd.	Legal representative	-
Ruentex Industries Ltd. Representative: Yin Wong, Yee-Fan	3,230,310	5.01%	-	-	-	-	-	-	-
Profit Power Management Consulting Limited	2,817,400	4.37%	-	-	-	-	-	-	-
Ruentex Development Co. Ltd. Representative: Chang-Cheng Chien	2,809,060	4.35%	-	-	-	-	-	-	-
Fu Wu Investment Ltd. Representative: Chih-Hung Ouyang	2,787,000	4.32%	-	-	-	-	Chih-Hung Ouyang	Legal representative	-
Gear Capital Limited	2,302,000	3.57%	-	-	-	-	-	-	-
Changchun Investment Co. Ltd. Representative: Samuel Yen-Liang Yin	2,150,271	3.33%	-	-	-	-	-	-	-
LARGOU MORI Co., Ltd. Representative: Sen-Hao Cheng	1,724,888	2.67%	-	-	-	-	-	-	-
Shu-Huei Liang	1,585,059	2.46%	188,888	0.29%	-	-	-	-	-
Yung-Liang Huang	1,324,586	2.05%	-	-	-	-	-	-	-

10. The shareholding of the Company, Director, Supervisor, management and an enterprise that is directly or indirectly controlled by the Company in the invested company, and consolidate the shareholding percentage:

Unit: Shares; %

Investee Company	Investor Company		Director, Supervisor, Manger anddirector indirect investment		Total	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage
Brogent Global Inc.	36,214,332	100%	-	-	36,214,332	100%
Brogent Hong Kong Limited	-	100%	-	-	-	100%
Dili Jie Holdings Limited	-	100%	-	-	-	100%
Brogent Rides (Shanghai) Limited	-	-	-	100%	-	100%
Brogent Creative (Shanghai) Limited	-	-	-	100%	-	100%
Brogent Japan Entertainment Joint-Stock Corporation	-	-	700	35.90%	700	35.90%
Jetway Holdings Limited	-	-	-	100%	-	100%
Garlay Holdings Limited	-	-	-	100%	-	100%
hexaRide the first LLP	-	-	-	93.98%	-	93.98%
Holey Holdings Limited	-	-	-	100%	-	100%
Jetmay Holdings Limited	-	-	-	100%	-	100%
Hai Wei Culture Creative and Development (Shanghai) Limited	-	-	-	100%	-	100%
Starlite Design & Planning Limited	-	-	-	100%	-	100%

IV. Placement Situation

1. Company capital and share capital

(1) Sources of capital property other than cash is paid by subscribers

1. Type of stock

April 2, 2023; Unit: Shares

Type of stock	Authorized capital			Note
	Shares issued and outstanding	Unissued shares	Total	
Ordinary shares	64,077,103	25,922,897	90,000,000	OTC shares

Note: Shares approved by Ministry of Economic Affairs.

2. Sources of capital

April 2, 2023; Unit: 1,000 shares; NT\$1,000

Year/month	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital property other than cash is paid by subscribers	Subscriptions paid with property other than cash	Others
2001.10	10	5,000	50,000	1,500	15,000	Cash set up	None.	Approval by Kaoshifu Jianergongzi Letter No. 09007412400
2002.07	10	5,000	50,000	5,000	50,000	Capital increase of NT\$35,000,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09109112601
2003.10	10	6,000	60,000	6,000	60,000	Capital increase of NT\$10,000,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09205920530
2004.09	10	12,000	120,000	8,106	81,060	Capital increase of NT\$21,060,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09300940610

Year/month	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital property other than cash is paid by subscribers	Subscriptions paid with property other than cash	Others
2005.03	10	12,000	120,000	9,610	96,100	Capital increase of NT\$15,040,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09400391490
2005.05	10	12,896	128,960	12,896	128,960	Capital increase of NT\$32,860,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09400469250
2006.08	10	20,000	200,000	17,442	174,420	Capital increase of NT\$45,460,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09500652270
2010.03	10	20,000	200,000	19,612	196,120	Capital increase of NT\$21,700,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09900452210
2011.06	10	30,000	300,000	21,356	213,560	Stock option conversion of NT\$17,440,000	None.	Approval by Kaoshifu Siweijingshanggongzi Letter No. 10001224680
2011.09	10	30,000	300,000	22,626	226,260	Capital increase of NT\$12,700,000	None.	Approval by Kaoshifu Siweijingshanggongzi Letter No. 10001356410
2012.10	10	30,000	300,000	25,455	254,550	Capital increase of NT\$28,290,000	None.	Approval by Jingguangzhengfazi Letter No. 1010048593
2013.10	10	30,000	300,000	26,728	267,277	Dividends and bonuses of NT\$12,727,500	None.	Approval by Jingjiasanshangzi Letter No. 10200112100
2014.02	10	30,000	300,000	27,470	274,700	First domestic conversion of convertible corporate bond of NT\$1,274,400 Second domestic conversion of convertible corporate bond of NT\$6,148,300	None.	Approval by Jingjiasanshangzi Letter No. 10300015650
2014.05	10	30,000	300,000	29,013	290,134	First domestic conversion of convertible corporate bond of NT\$9,103,500 Second domestic conversion of convertible corporate bond of NT\$6,660,500	None.	Approval by Jingjiasanshangzi Letter No. 10300054610
2014.07	10	50,000	500,000	30,889	308,887	First domestic conversion of convertible corporate bond of NT\$10,350,100 Second domestic conversion of convertible corporate bond of NT\$8,403,400	None.	Approval by Jingjiasanshangzi Letter No. 10300090820

Year/month	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital property other than cash is paid by subscribers	Subscriptions paid with property other than cash	Others
2014.09	10	50,000	500,000	33,636	336,357	Capital reserve transfer increase NT\$27,470,000	None.	Approval by Jingjiasanshangzi Letter No. 10300104170
2014.10	10	50,000	500,000	33,680	336,799	First domestic conversion of convertible corporate bond of NT\$442,100	None.	Approval by Jingjiasanshangzi Letter No. 10300137580
2015.01	10	50,000	500,000	39,680	396,799	Capital increase of NT\$60,000,000	None.	Approval by Jingjiasanshangzi Letter No. 10400008080
2015.06	10	50,000	500,000	40,710	407,099	Capital increase of NT\$10,300,000	None	Approval by Jingjiasanshangzi Letter No. 10400066620
2015.07	10	50,000	500,000	44,678	446,779	Stock dividends NT\$39,680,000	None	Approval by Jingjiasanshangzi Letter No. 10400074690
2018.08	10	90,000	900,000	53,527	535,267	Stock dividends NT\$88,487,000	None	Approval by Jingjiasanshangzi Letter No. 1070008434
2018.09	10	90,000	900,000	53,093	530,928	Retirement of treasury shares NT\$4,340,000	None	Approval by Jingjiasanshangzi Letter No. 1070009969
2019.08	10	90,000	900,000	55,747	557,474	Capital reserve transfer increase NT\$26,546,000	None	Approval by Jingjiasanshangzi Letter No. 1080008464
2021.05	10	90,000	900,000	56,832	568,318	Third domestic conversion of convertible corporate bond of NT\$6,609,270 Fourth domestic conversion of convertible corporate bond of NT\$4,234,600	None	Approval by Jingjiasanshangzi Letter No. 1100005595
2021.08	10	90,000	900,000	57,364	573,641	Third domestic conversion of convertible corporate bond of NT\$1,942,730 Fourth domestic conversion of convertible corporate bond of NT\$3,380,050	None	Approval by Jingjiasanshangzi Letter No. 1100008817
2022.02	10	90,000	900,000	60,964	609,644	Third domestic conversion of convertible corporate bond of NT\$26,932,890 Fourth domestic conversion of convertible corporate bond of	None	Approval by Jingjiasanshangzi Letter No. 1110001275

Year/month	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital property other than cash is paid by subscribers	Subscriptions paid with property other than cash	Others
						NT\$9,069,940		
2022/08	10	90,000	900,000	60,984	609,844	Third domestic conversion of convertible corporate bond of NT\$200,000	None	Approval by Jingjiasanshangzi Letter No. 1110008994
2022/11	10	90,000	900,000	61,443	614,431	Third domestic conversion of convertible corporate bond of NT\$2,428,470 Fourth domestic conversion of convertible corporate bond of NT\$2,159,460	None	Approval by Jingjiasanshangzi Letter No. 1110012690
2023/01	10	90,000	900,000	62,517	625,174	Third domestic conversion of convertible corporate bond of NT\$7,428,390 Fourth domestic conversion of convertible corporate bond of NT\$3,314,270	None	Approval by Jingjiasanshangzi Letter No. 1120001016
2023/03	10	90,000	900,000	64,077	640,771	Third domestic conversion of convertible corporate bond of NT\$9,447,170 Fourth domestic conversion of convertible corporate bond of NT\$6,149,690	None	Approval by Jingjiasanshangzi Letter No. 1120003116
2023/04	10	90,000	900,000	64,530	645,302	As of 2023.04.02, CB 3 and CB 4 had converted 453,073 shares, and the change registration has not yet been processed.		

(2) Shareholder structure

April 2, 2023

Shareholder structure quantity	Government institution	Financial institutions	Other juristic persons	Individual investors	Foreign institutions and foreigners	Total
Number of Shareholders	-	17	166	19,020	49	19,252
No. of shares held	-	2,713,278	14,871,646	37,471,856	9,473,396	64,530,176
Shareholding percentage (%)	-	4.20%	23.05%	58.07%	14.68%	100.00%

(3) Dispersion of equity ownership

Ordinary shares

April 2, 2023

Shares	Number of shareholders	Shares held	Shareholding percentage (%)
1~ 999	14,195	305,666	0.47%
1,000~ 5,000	4,057	7,532,384	11.67%
5,001~ 10,000	475	3,597,186	5.58%
10,001~ 15,000	154	1,977,852	3.07%
15,001~ 20,000	96	1,693,198	2.62%
20,001~ 30,000	78	1,941,123	3.01%
30,001~ 40,000	34	1,185,062	1.84%
40,001~ 50,000	37	1,646,936	2.55%
50,001~ 100,000	57	4,061,422	6.29%
100,001~ 200,000	33	4,508,866	6.99%
200,001~ 400,000	14	3,803,244	5.89%
400,001~ 600,000	9	4,546,080	7.05%
600,001~ 800,000	-	-	0.00%
800,001~ 1,000,000	-	-	0.00%
>1,000,001	13	27,731,157	42.97%
Total	19,252	64,530,176	100.00%

(4) List of major shareholder (shareholders holding more than 5% of shares or top ten shareholders)

April 2, 2023

Name of major shareholder	Shares	No. of shares held	Shareholding percentage (%)
Chih-Hung Ouyang		3,807,191	5.90%
Ruentex Industries Ltd.		3,230,310	5.01%
Profit Power Management Consulting Limited		2,817,400	4.37%
Ruentex Development Co. Ltd.		2,809,060	4.35%
Fu Wu Investment Ltd.		2,787,000	4.32%
Gear Capital Limited		2,302,000	3.57%
Changchun Investment Co. Ltd.		2,150,271	3.33%
LARGOU MORI Co., Ltd.		1,724,888	2.67%
Shu-Huei Liang		1,585,059	2.46%
Yung-Liang Huang		1,324,586	2.05%

(5) Market Price, Net Worth, Earnings, and Dividends in the Past Two Years

Item	Year				
	2021	2022	Current year up to April 2, 2023		
Market price per share	Maximum	170.50	133.00	148.50	
	Minimum	97.80	99.60	123.50	
	Average	124.67	115.17	134.28	
Net Value per share	Befor distribution	52.86	51.09	(Note 2)	
	After distribution	52.86	(Note 1)	(Note 2)	
Earnings per share	Weighted average shares(thousand shares)	57,113	61,133	(Note 2)	
	Earnings per share	(2.31)	(0.99)	(Note 2)	
	Retroactive adjustment for Earnings per share	(2.31)	(Note 1)	(Note 2)	
Dividends per share	Cash dividend	NA	(Note 1)		
	Bonus shares	By Retained earnings	NA	NA	
		By Paid-in Capital	NA	NA	
	Accumulated unpaid dividend	NA	(Note 1)		
Return analysis	Price/earnings ratio	NA	NA		
	Price/dividend ratio	NA	(Note 1)		
	Cash dividend yield	NA	(Note 1)		

Note1:The 2022 Deficit Compensation plan has not been resolved in the shareholders' meeting.

Note2:The year to date April 02, 2023 financial results has not yet been reviewed by CPA..

(6) Dividend policy and implementation status

1. Dividend policy

When allocating the net profits for each fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years. Where there is still balance, the Corporation shall set aside as a legal reserve 10% of the sum of said profit in balance and the amount of profit (of loss) items adjusted to the current year's undistributed earnings other than the said profit until the legal reserve equals the Corporation's paid-in capital. The accumulated distributable earnings be set aside or reversed as a special reserve in accordance with the laws or regulations, and may be retained at the discretion of the Corporation in accordance with its business needs, in addition to the payment of dividends, the remaining balance, if any, shall be distributed as dividends to shareholders by resolution of the shareholders' meeting. In accordance with the Articles as amended in May 2022, the board of directors is authorized to resolve that all or part of the dividends and bonuses, capital surplus or legal reserve be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds or more of the total number of directors, and a report of such distribution shall be submitted to the shareholders in their meeting.

The Company is situated in a changing industrial environment, wherein the company life cycle is at a stable growth stage. Considering the Company's capital requirement for continuous expansion and business operations, as well as long-term financial planning to satisfy shareholders' needs for cash flow, the Company's dividend policy was based on the residual dividend policy in the relevant laws and regulations of the Company Act. The future capital requirement is measured according to the future capital budget plan of the Company; then, set aside the capital required for earnings financing, and the remaining earnings shall be distributed by way of cash or stock dividend. Particularly, cash dividend may not exceed 10% of the total dividend.

2. Dividend distribution to be proposed to the shareholders' meeting:

The Company's 2022 Deficit Compensation plan and 2022 Capital Surplus Cash Dividend NT\$1.5. will be resolved or reported in the shareholders' meeting to be held in May 2023.

(7) Effect of the proposed stock dividends (to be adopted by the Shareholders' Meeting) on the operating performance and earnings per share: N/A.

(8) Employee bonus and remuneration to Directors and Supervisors

1. Dividend Policy for terms stated in the Articles of Incorporation regarding employees' bonus and Directors' and Supervisors' remuneration:

The company suffered a loss in 2022, so the amount of remuneration for employees and directors has not been estimated.

2. Basis for estimating the amount of employee bonuses and remuneration to Directors/Supervisors, basis for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period: N/A.

3. Earnings distribution proposal has passed the Board of Directors but not the resolution of the shareholders' meeting:

(1)The company suffered losses in 2022 and therefore did not estimate the amount of compensation for employees and directors.

(2)The amount of employee compensation distributed in stocks and the amount as a percentage of net income stated in the parent company's financial reports or individual financial reports for the current period and total employee compensation: N/A.

4. Describe, where applicable, the reason and handling approach for the difference (including the number of shares, the monetary amount, and the face value of shares distributed) between the actual distribution of employee bonus and remunerations to Directors and Supervisors and the approved employee bonus and remunerations to Directors and Supervisors: N/A.

(9) Buyback of Treasury Stock:

1. Execution of buyback is completed

April 2, 2023

Treasury stocks: Batch Order	1st Batch
Purpose of buy-back	Transfer to employees
Timeframe of buy-back	2015.07.22 to 2015.09.01
Price range	NTD 170.00 to NTD 488.00
Class, quantity of shares bought back	1,000,000 Ordinary Shares
Value of shares bought-back (in NT\$ thousands)	266,071,991
Number of Shares Bought Back as a Percentage of the Approved Number of Shares to be Bought Back (%)	100%
Shares sold/transferred	1,000,000 Ordinary Shares
Accumulated number of company shares held	-
Percentage of total company shares held (%)	-

2. Execution of buyback has not been completed :

Not applicable.

2. Corporate bond

(1) Issued exchanged corporate bond:

Type	Third domestic unsecured convertible bonds	Forth domestic unsecured convertible bonds
Issue date	2021.10.12	2021.10.15
Par value	NTD\$100,000	NTD\$100,000
Issue and deal location	TPEX	TPEX
Issue price	Issued by par value	Issued by par value
Total value	NTD\$700,000,000	NTD\$500,000,000
Interest rate	0%	0%
Expiration date	5 year Expiration date : 2025.10.12	4 year Expiration date : 2024.10.15
Assurance institution	None	None
Trustee	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Underwriting institution	Taishin Securities Co., Ltd	Taishin Securities Co., Ltd
Certificated lawyer	Lawyer, Chiu Lifei	Lawyer, Chiu Lifei
Certificated CPA	Deloitte Taiwan CPA, Chiu-Yen Wu / Lee-Yuan Kuo	Deloitte Taiwan CPA, Chiu-Yen Wu / Lee-Yuan Kuo
Repayment	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash.	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash.
Outstanding principal	NTD\$97,700,000	NTD\$175,500,000
Redemption or prepayment clauses	Please refer to Article 18 and 19 of "Regulations for third domestic	Please refer to Article 18 and 19 of "Regulations for forth domestic

Type	Third domestic unsecured convertible bonds	Forth domestic unsecured convertible bonds	
	unsecured convertible bonds”	unsecured convertible bonds”	
Limitation Clauses	Please refer of “Regulations for third domestic unsecured convertible bonds”	Please refer of “Regulations for forth domestic unsecured convertible bonds”	
Name of credit evaluation institution, date and evaluation result of bonds	None	None	
Other rights	The number of ordinary shares, overseas depository receipts or other Marketable securities converted (exchange or subscription) as of the date of publication of the annual report	As of April 2, 2023, the amount of NTD\$602,300,000 of the convertible bond has been converted into 5,736,023 ordinary shares.	As of April 2, 2023, the amount of NTD\$324,500,000. of the convertible bond has been converted into 3,046,743 ordinary shares
	Issuance and conversion(exchange or subscription) method	Please refer of “Regulations for third domestic unsecured convertible bonds”	Please refer of “Regulations for forth domestic unsecured convertible bonds”
Regulation for issuing, converting, exchanging or stock subscription, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity.	No Significant impact	No Significant impact	
Name of the entrusted custodian institution to exchange the subject	N/A	N/A	

Note 1: The handling of corporate bonds includes public and private equity corporate bonds under processing. Public equity corporate bonds under processing refer to those that have been effective (approved) by the Association; private equity corporate bonds under processing refer to those that have been approved by the board of directors.

Note2 : The number of fields depends on the actual number of adjustments

Note3 : Listed by overseas corporate debtors

Note4 : Such as restricting the payment of cash dividends, foreign investment, or requiring to maintain a certain proportion of assets, etc

Note5 : Private fundraiser and should be marked in a prominent

Note6 : For convertible corporate bonds, corporate bonds that are exchanged, corporate bonds that are collectively declared or issued, or corporate bonds with options, you should disclose the information about the converted corporate bonds, the information about the exchange of corporate bonds, the status of the corporate bonds that are declared and the options that are included Corporate debt information.

(2) Information of corporate bond conversion:

First domestic secured corporate bond and second domestic unsecured corporate bond have all been converted into ordinary share by the end of December 31, 2014

Convertible Corporate Bonds Information

Type		Third domestic unsecured convertible bonds		Fourth domestic unsecured convertible bonds	
Year		2022	As a date of Mar.31,2023	2022	As a date of Mar.31,2023
Market price of the convertible Corporate bonds	Highest	124.30	140.00	124.00	138.00
	Lowest	103.80	118.80	101.90	115.60
	Average	115.62	131.91	112.88	125.89
Price of conversion		105		106.5	
Date of issued and issued price of conversion		October 12, 2020 105		October 15, 2020 106.5	
Way to execute obligation of conversion		Issue new share		Issue new share	

Note 1: The number of fields depends on the actual number of adjustments.

Note 2: If there are multiple trading locations for overseas corporate bonds, they are listed separately according to trading locations.

Note 3: Deliver shares that are already issued or issue new shares.

Note 4: Information should be from the same year on the date of publication of the annual report.

(3) Exchangeable Bond:

None.

(4) Shelf Registration in Taiwan:

None.

(5) Bond with Warrants

None.

3. Preferred Shares

(1) Preferred Shares:

None.

(2) Preferred Shares with Warrants:

None.

4. Issuance of American Depositary Shares

None.

5. Status of Employee Stock Option Plan

(1) Issuance of Employee Stock Options:

None.

(2) Employee Stock Options Granted to Management Team and to Top 10 Employees:

None.

6. Status of Employee Restricted Stock

(1) Status of Employee Restricted Stock:

None.

(2) Employee Restricted Stock Granted to Management Team and to Top 10 Employees:

None.

7. Status of New Share Issuance in Connection with Mergers and Acquisitions

None.

8. Implementation of capital allocation plan

Unit: NT\$1,000

Plan	Implementation status		Ahead of schedule, behind in progress, reasons, and improvement plans	
Bank loan	Expenditure	Expected	800,000	As of Dec.31,2022, the planned amount and progress of the company's planned repayment of borrowings were 800,000 thousand yuan and 100.00%, respectively, and the actual implementation amount and progress were 800,000 thousand yuan and 100.00%, respectively. The funds have been used in accordance with the schedule. Progress execution.
		Actual	800,000	
	Accumulated implementation progress	Expected	100.00%	
		Actual	100.00%	
R&D expenses	Expenditure	Expected	411,490	As of Dec. 31, 2022, it is estimated that the used funds are 411,490 thousand yuan, and the estimated implementation progress is 100%. Due to the coordination of research and development work, related expenditures have also been adjusted accordingly. The actual expenditure is 329,000 thousand yuan, and the implementation progress is 79.95%.
		Actual	329,000	
	Accumulated implementation progress	Expected	100.00%	
		Actual	79.95%	

V. Business Overview

I. Business Activities

(1) Business Scope

1. Company's primary business activity

Information software retailer	Electronic material retailer	Computer installation
Information software wholesaler	Electronic material wholesaler	Information software service
Information processing service	Electronic information supply service	Arts service
General advertising service	Sound publishing	Arts performance activity
Automated control equipment engineering	Machinery installation	Wholesale of cultural education, musical instrument, and educational entertainment necessities
Machinery wholesaler	Computer and business machinery wholesaler	Retailer of cultural education, musical instrument, and educational entertainment necessities
Electronic retailer	Computer and business machinery retailer	International trade
Intellectual property	Product design	Landscape and interior design
Machinery retailer	Other machinery retailer	Except for approved business activities, may engage in activities that are not prohibited or restricted by law

2. Company's primary products and their operating weight

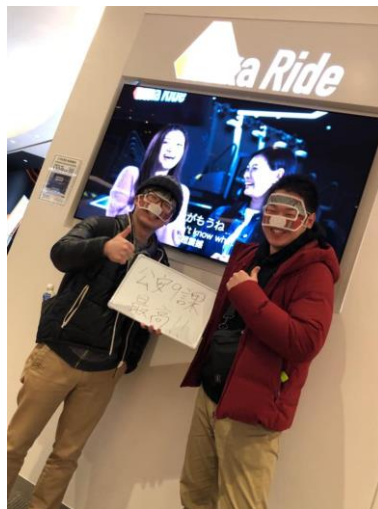
Unit: NT\$1,000

Product Category	2021		2022	
	Net revenue	Operating weight(%)	Net revenue	Operating weight(%)
Construction contract revenue	729,153	92.56	655,326	81.53
Licensing revenue	6,154	0.78	39,916	4.97
Service revenue	15,269	1.94	51,198	6.37
Sales of tickets and merchandise	35,425	4.50	42,763	5.32
rental income	1,748	0.22	14,563	1.81
Net revenue	787,749	100.00	803,766	100.00

3. The Company's products

Simulator Rides are still the Company's main product. Since moving to the Kaohsiung Software Park in 2013, the Company has gradually placed its business focus on the media-based attraction (MBA) industry, meaning that we combined our previously developed 3D real-time imaging and audiovisual multimedia technologies with the Stewart six-axis motion platform and other dynamic simulation techniques. Subsequently, the Company successfully completed the FlyOver Canada project in Vancouver, becoming the leader of the flying theater industry. The Company's operating model has extended from selling hardware to digital content development in recent years.

Since October 2013, we cooperate with Japan's Kodansha in integrating Kodansha's comic characters into our simulator ride products. In the meantime we not only focussed on flying theaters, but the company also produced Attack on Titan and Ghost in the Shell movies for the Q-Ride and NDR VR platforms, that are operational on event basis in markets like Japan and Saudi Arabia. New events are planned in Japan and Saudi for the upcoming season.



Apart from that Brogent has entered a supplier relationship with Legoland parks around the world. The very first m-Ride type flying theater ride opened in March 2019 in Legoland Florida. Further installations in Legoland Billund in Denmark and Legoland California had been scheduled for 2020, but have been postponed to spring 2021. All those installations and one more in Legoland Windsor, UK are now open and are very well received by the public. The successful introduction of m-Ride flying theater opened a new market segment for this popular attraction. It will help significantly to add to the global installed base of flying theaters.

The m-Ride concept also makes it possible to bring the flying theater experience to locations with limited space: In December 2021 a standalone m-Ride flying theater

and museum concept called “RiseNY” opened at Time Square New York. More m-Rides have opened in China and there are more many under installation and design for openings in 2023 and beyond.



Picture: RiseNY museum and flying theater attraction in New York City, USA




The company has successfully opened a new market by signing a contract with Hockenheimring Race circuit in Germany to bring the miRide racing simulator in the world of motor sports. This means a breakthrough for this new kind of realtime interactive game based product and is only the first step for this technology to enter not only the entertainment market of theme and amusement parks but also more sports related or educational market places like racing facilities and museums.









Our flying theaters have been formally adopted by the United States UL certification and the TUV SOUTH.

An introduction to our products :

Product name	Description	Images
<p>i-Ride</p>	<p>The i-Ride, featuring a suspended seat platform, is the only dynamic flying theater on the market built on a six degrees of freedom (6DOF) motion platform. It not only delivers super realism and fantastic entertainment effects, but is also the most representative device among all extant indoor gaming devices.</p> <p>Riders' feet hang freely, to deliver the true sensation of flying through the air. The sweeping bird's eye perspective delivers unobstructed realism with no blind spots. Wind, sound, light, water, and aromas heighten the sensation of conquering the air.</p>	
<p>m-Ride</p>	<p>m-Ride is Brogent's new compact flying theater and the first flying theater system that offers a 180 degree turn of the seats with a spectacular reveal.</p>	
<p>o-Ride</p>	<p>o-Ride is the latest member of Brogent's flying theater family, also the most economical flying theater, which can rotate 180 degrees with 2 DOF for performances. Never before offered such a compact flying theater a such agile and smooth motion integration .With Brogent's somatosensory simulation technology, the two-axis hardware platform simulates a flying theater with more than three axes.</p>	

Product name	Description	Images
<p>d-Ride</p>	<p>1) Unlimited story topics Themes are diverse and highly variable.</p> <p>2) Trackless or track bound and noiseless design for self-driving cars</p> <p>3) Flexible plan scenes according to actual needs onsite</p> <p>4) Combined with interactive game design, with touch, shoot, and hand gesture control operating methods</p>	 <p>The image shows a woman and a young girl sitting in a blue, futuristic-looking vehicle. They are holding colorful toy guns (green and blue) and aiming them towards a screen. On the screen, there is a cartoon dog character and several colorful balls (red, blue, green). The text 'd-RIDE' is visible in the bottom left corner of the image.</p>
<p>v-Ride 360</p>	<p>1) The 360° massive cylinder screen delivers heightened realism and an unobstructed panoramic view with no blind spots</p> <p>2) Passengers can walk safely and freely, selecting their favorite perspective</p> <p>3) Suitable for various themes; with special 4D effects, users can immerse into the video content</p>	 <p>The image shows a group of people standing in a circular arena, looking up at a large, colorful, multi-colored cylinder screen. The screen displays a hot air balloon with a rainbow pattern. The text 'V-RIDE 360' is visible in the top left corner of the image.</p>
<p>v-Ride basic</p>	<p>The modern version of the classic 4D cinema. The electrical motion base together with a wide range of special effects delivers a great experience.</p> <p>1) High G-Force: Uses large-scale motion platform that creates effects that simulate high g-forces</p> <p>2) 16:9 screen suitable for a diversity of video topics; with special 4D effects, a realistic experience is created</p>	 <p>The image shows a large audience seated in a dark theater, looking at a large screen. The screen displays a yellow and black chevron pattern. The text 'V-RIDE BASIC' is visible in the bottom left corner of the image.</p>

Product name	Description	Images
<p>t-Ride</p>	<p>The most advanced immersive tunnel experience in the market with a vehicle that can move with six degrees of freedom.</p> <p>1) Two-sided curved screen design, increasing visual sense of realism and excitement</p> <p>2) Vehicle can be changed depending on the theme, such as traveling on the same car, and with special 4D effects, it's as if you're there in person</p>	
<p>GestureMagic</p>	<p>The multi-participatory interactivity experience products: Gesture based 3D experience that let's guests fight virtual monsters and scenes.</p>	
<p>Q-Ride</p>	<p>Brogent's product for the convenient Esport games with mobil container market for the VR goggle and traditional screen, offering creative immersive experience. It comes with preinstalled ride content, simulating an underwater experience and a tour around the world.</p>	
<p>Esports Mobility Container</p>	<p>The latest metaverse (disambiguation) product of Brogent. Lightning Wings is a full-body motion virtual reality gaming system, six-degree of freedom motion base; coupled with specially-designed VR helmets and pilot consoles. Once the game starts, players in their virtual cockpits have feel every maneuver in the combat. All players commented the experience is "so real" and "beyond their imagination".</p>	

Product name	Description	Images
<p>miRide</p>	<p>This product introduced as a concept IAAPA Expo 2019 has now officially been launched as miRide. The first project has been delivered to Vietnam theme park in 2021. In 2022 won the contract with Hockenheim Ring racing center in Germany. Players can enter well-known professional racing circuits around the world and enjoy the thrill of galloping on the realistic track.</p>	
<p>VR Airship Ride</p>	<p>This product introduced at IAAPA Expo 2021. Board the VR airship and fly around the world. Rider can enjoy stunning views of the most famous landmarks. The maximum capacity of this compact VR experience to 16 riders. One of the metaverse rides with immersive 4D effects.</p>	

4.Future Products and Services

The company is active in multiple product segments and introduce new technology like LED screens to upgrade older products and will further extend those efforts: New software will be integrated to offer a variety of experiences based on the miRide product, which was originally introduced focusing on racing simulation only.

The company will further built on their experience in design and manufacturing of large simulation systems and will offer customized solutions in the future that are built to fit operators' creative concepts. To achieve this all system components and media content will be even tighter integrated.

The content licensing business for existing rides has also been growing steadily. It is still in an early stage, but with the installed base of Brogent rides constantly growing so are the business opportunities for content licensing.

Last but not least the company expects to expand the service scope in the maintenance and repair segment to provide a complete aftersales offering through the whole product life cycle.

(3) Industry overview

1. Industry's current trends and future outlook

The COVID-19 pandemic is behind us. 2022 was a normal year for Brogent's main client base, the theme & amusement parks.

This year the industry faces a pent-up demand on both operator and park visitor levels and we have seen a lot of parks reaching capacity limits and being forced to close the doors for the day in the second half of 2021 and the 2022 season. Most of the parks had record visitor attendance.

After spending almost two years at home, the majority of the population in most countries is spending more time and money on travel & tourism. In addition we are seeing that the current generation of consumers prefers experience over material consumption. .

2. Relationship between up-, mid-, and down-stream suppliers in the industry's supply chain

Upstream industry	Midstream industry	Downstream industry
Hardware: 1.Precision machinery industry 2.Spherical screen 3.Projector Software: 1.Wireless embedded control system 2.Spherical projector and playback control system 3.High-definition digital content	Integrated hardware and software technologies	Global theme parks Exhibition Shopping mall Tourist attractions Urban experience center

The upstream industries associated with the simulator ride equipment comprise the hardware section, including precision machinery industry and manufacturers of spherical screens and projectors, and the software section, including wireless embedded control system, spherical projector and playback control systems, and digital contents. The Company designs and integrates various software and hardware technologies according to customer needs, and then sells the products to downstream industries such as theme parks, museums, shopping mall, and urban experience centers.

3. Product development trends

Previous theme parks: Mainly equipped with mechanical and simple electronic facilities such as the Ferris wheel, bumper cars, carousels, and roller coasters. Generally, in bad weather, these theme parks must cease their operation, substantially impacting business operations. By comparison, multimedia simulator ride facilities can be installed indoors free from environmental influences; thus, the usage rate of theme park equipment can be enhanced, increasing the economic benefits of theme parks. Europa-Park in Germany celebrated the opening of Brogent i-Ride “Voletarium” attraction in June 2017, which welcomed an estimated 14 million riders until end of the 2022 season. The m-Ride offering has allowed the Legoland parks to introduce a kind of attraction that was previously out of reach for those more regionally oriented parks.

Moreover, simulator ride facilities have become the options for updating theme parks in European and American countries and for planning and constructing theme parks in emerging countries. 2022 saw the opening of Brogent new rides in China and the company expects that the good attendance in the parks around the world will fuel investments in both emerging and established markets in 2023. In recent years, under the influence of mature digital video technologies and Hollywood films, traditional mechanical amusement facilities are no longer effective for attracting new-generation tourists. To satisfy tourists' entertainment needs and novelty, new amusement parks have successively incorporated digital video technologies with electromechanical equipment. Thus, tourists can not only enjoy the excitement of conventional outdoor facilities, but also experience indoor facilities with excellent sound and lighting effects without being influenced by weather conditions. Furthermore, the Company's simulator rides that stimulate both sensory experiences and thrilling sensations, which are in line with the current trend of experience economy.

The arrival of LED technology in the out-of-home entertainment industry makes a new technology leap forward for giant screen resolution, brightness and contrast, this technology will raise the experience quality of media based attractions to a new level.

4. Product competition

Media based simulator attractions deliver an immersive experience that fulfills guests needs of all senses, that's why they are generally preferred over roller coasters, free fall towers, swinging ships etc. by the general public. Because the traditional

mechanical rides are comparably simple in their experience quality and often have physical limits for riders, setup costs are high and the climate is a big impact factor.

Traditional cinemas on the other side are not exciting enough to catch the full attention of younger crowds. Media based simulator attractions like the flying theater are situated in the middle between those offerings: Like in a cinema content can be switched easily, while still offering the physical excitement of a mechanical ride in a weatherproof environment. This approach makes Brogent products successful and the installed base of attractions worldwide is growing every year. The market share in the flying theater market is an est. 85% in the premium segment. Brogent is not simply offering the product, we are providing IP licensing, content production. Operation consulting and can provide one stop shopping for this kind of complex attraction, if the clients need help.

With the new “miRide” platform the Company already goes one step further and enters the game based attraction segment (GBA), the latest product genre in the location based entertainment industry.

(4) Overview of Technology and R&D

1. R&D investments in recent years to the date of the annual report

Unit: NT\$1,000

Year	2021	2022	2023Q1
R&D expenses	207,749	189,445	Note

Note: The year to date April 2, 2023 financial results has not yet been reviewed by a CPA.

2. Successfully developed technologies and products in recent years

Year	R&D Accomplishments
2011	Novel modularized suspension spherical theater based on a vertical six-axis actuating platform Ski simulator Tablet 3D man-machine interface (Android 3.2) 9s series software downloading tool (Android platform) Commercial electronic games – The Legend of a Golden City
2012	Novel special drive method Web-shaped seat design mold Seat cover design and production Actuator cantilever turning gate Suspension two-axis actuator platform stress analysis Smart TV man-machine interface (Android 2.3) Tablet 3D man-machine interface (Android 4.0) 9s series software downloading tool (iOS platform)
2013	Smart TV software Electrical gas six-axis platform design Suspension two-axis actuator platform design and production

Year	R&D Accomplishments
	Completely dark ride (d-Ride) design Balloon Ride design
2014	Media Free Fall Design Interactive walking theater Joey's Aquarium (sketch-type aquarium) Track d-Ride system
2015	“Attack on Titan” i-Ride Film
2016	Q-Ride i-FUN HUB
2017	m-Ride
2018	Lightning Wings
2019	V-Ride dome 304s
2020	miRide game based attraction
2021	RiseUp VR airship attraction
2022	o-Ride

(5) Business plan - long-term and short-term

1.Short-term development plan

(1) Marketing and product plan

A.Commit to on-going projects because successful performance is the best marketing tool for a company. The Company has a full project pipeline and the 2022 will again see multiple project openings; strengthen digital content development capacity to satisfy future market demands for ride films.

B.Design and plan new highly modularized projects, provide affordable modularized system, and improve competitive advantage.

C. regulate outsourced vendors' production operation so that the products meet international standards; and continue to design products conforming to international environmental regulations to become a benchmark of green enterprises. Our flying theaters are already EN and ASTM certified and in operation on four continents.

D.Sales channels are relatively closed; considering the ecological layout of local markets of various regions, the Company will further strengthen its cooperative model in which it forms a strategic alliance with its agents.

E.Participate in international exhibitions (e.g., IAAPA), keep increasing the

visibility of the company's product, and expand the range of regional buyers.

F. Further implementing digital sales channels. One of the positive impacts of COVID-19 is that generally customers are more open to digital communication and implementation of projects even for B2B projects like Brogent attractions.

(2) R&D plan

A. Apply the ability to integrate six-axis actuator and other motion platform technology with multimedia technologies, optimize d-Ride, to the NDR VR motion chair and further expand on game based solutions to expand the Company's product line, and satisfy customers' diversified needs.

B. Reinforce knowledge management and integrate existing data, so that technological resources can be shared to enhance technological capacities.

(3) Human resources and informatization plan

A. Strengthen training to enhance employee skills.

B. Integrate resource and improve business efficiency.

C. To enhance operating software system.

(4) Financial Plan

A. Use appropriate financial instruments and formulate contract-based sales plan to avoid risk of currency fluctuations.

B. Strengthen project management and reduce receivables to increase the turnover rate of receivables.

2. Mid- and Long-term development plan

(1) Marketing and product plan

A. Target the future demand market of Asian regions where economic growth is high and then advance toward the global market, thereby becoming internationally recognized primary supplier of simulator rides.

B. Seize business opportunities in replacing, renewing, or adding construction projects in the future European and US markets and jointly work with strategic alliance partners in market expansion.

(2)R&D plan

A.Cooperate with domestic research institutes and academic units to acquire leading technologies.

B.Continue to develop new technologies and acquire patents.

(3)Human resources and informatization plan

A.Strengthen professional competency training to enhance employee skills.

B. Strengthen management competency training to improve business performance.

(4)Financial Plan

A.Use various fund-sourcing channels to create optimal financial structures that maximize company value.

B.Issue financial instruments in a timely manner for the company to acquire minimum capital cost.

C.Properly use financial instruments to reduce currency risks.

II. Market, production and sales

(1) Market analysis

1. Product sales region

Unit: NT\$1,000

Year		2021		2022	
Sales Region		Net revenue	%	Net revenue	%
Domestic sales	Taiwan	27,785	3.53	53,378	6.64
	Exports				
	Asia	609,496	77.37	299,665	37.28
	Americas	137,601	17.47	396,005	49.27
	Europe	5,546	0.70	19,011	2.37
	Others	7,321	0.93	35,707	4.44
	Subtotal	759,964	96.47	750,388	93.36
Total		787,749	100.00	803,766	100.00

2. Market Share

In the market for premium flying theater solutions Brogent has a market share of around 85. Internationally Disney operates four similar theaters, but doesn't sell the solution to interested operators. Other suppliers offer flying theaters as well, but are only approaching the market as a mechanical ride supplier. They are not in the position to act as a system integrator and provide the complete package that a real media based attraction consists of. Apart from that the platform movement is limited to two degrees of freedom (compared to 6 DOF for the i-Ride or 4DOF for the m-Ride and 3DOF for o-Ride). Besides the ride technology Brogent can also provide media content.

3. Future market demand and supply and growth potential

The Company implemented the Content-Channel (CC) Strategy in recent years, transforming from being merely a supplier of amusement facilities to an operator of entertainment businesses. To achieve this goal, the Company recruited strategic investors over the past year, while adopting diversified management strategies that integrate profit distribution models to replace the model where devices are just sold once. The "i-Ride Experience Center" (now "i-Ride Kaohsiung") that opened in Kaohsiung in 2017 was the very first standalone flying theater in Taiwan and in 2019 Brogent opened a second standalone flying theater in Taipei Breeze Nanshan shopping center, the "i-Ride Taipei". In addition to outright selling its equipment, Brogent has not only delivered technology but also creatively planned an experience center exhibit, in the hopes of educating children through fun, thereby bringing parents and children closer together. In fact that people cannot visit large theme parks in remote areas

whenever they desire, the Company has endeavored to build the experience center in the city where transport is convenient. The goal isto make fun more accessible.

In 2022 besides opening and installing multiple flying theater projects in the US and Asia the company has successfully introduced its new game based mini platform system miRide with deliveries already announced and confirmed for 2023.

The Company is also present with projects now around the world with multiple projects in Asia, Europe and the Americas and one installation in Australia.

4. Competitive Niches

A. Globally Recognized Technology

In 2022 Brogent celebrated it's 21th anniversary incl. a decade of experience in the location based entertainment industry. This makes the company capable of launching new products to customers at the right time and rapidly responding to customer demand. After successfully conquering the niche of flying theater attractions as one of the market leaders, the Company is now entering a relatively young market of out-of-home game based attractions. The miRide racing simulator is only the first step on this journey.

2022 has seen another mile stone in Brogent's award history:



2017 European Star Award for Best New Ride

2018 Park World Award for Best Indoor Ride

2019 European Star Award Best Dark Ride

2019 Best Flying Theater Supplier in China

2020 26th Annual Thea Awards

2021 UK Theme Parks Awards Best Attraction

- 2021 Parkscout Award Europe’s Best New Rides**
- 2021 European Star Award Best New Rides**
- 2022 European Star Award Europe’s Best Dark Rides**
- 2022 Golden Outstanding Family Ride**

B. Premium Brand Equity

Theme Parks, Museums, Exhibitions Centers and Zoos are markets with high entry barriers. Brogent works with established partners in the amusement industry to create multiple distribution channels. All those partners rely on the technological know how in system integration and certified technology that Brogent is steadily advancing based on ongoing projects. Currently Brogent rides can be found four continents.



Worldwide more than 80 media-based attractions in operation or under installation

C. Product modularization lowers cost and increases competitiveness

Simulator ride facilities involve a wide range of technical aspects, covering hardware systems (motion platform, screens with audiovisual systems) and software technologies (projector, playback, wireless embedded control, and high-definition digital content). Therefore, the technical teams of the Company performed high modularization engineering analysis and planning of large complex system frameworks based on the existing platform technologies. In addition, our design, production, transportation, and assembly processes are all designed and modularized in accordance with international standard regulations. Such modularization enables saving large amount of construction time and manpower, which considerably lowers

construction cost and raises the Company's competitiveness.

D. Collaboration with international strategic partners in digital content development

Brogent is working with several partners to supply the best solutions and technology in the media based simulator attractions field. For content development the company started a cooperation with Japanese publisher Kodansha back in 2015 and has already developed ride films based on Kodansha IP like “Attack on Titan” and “Ghost in the Shell”

5. Competitive Edge, Favorable and Adverse Factors for Long-term Growth and Response Strategy

(1) Favorable factors

A. Needs of emerging countries and reconstruction business opportunities in Europe and the US

As the economy of emerging countries develop and the middle class grows, these countries have gradually focused on the construction and development of leisure entertainment industries, specifically large theme parks, the existence of which can not only create domestic demand and employment opportunities, but also promote urban tourism development. Low income level in emerging countries render the entrance fees to theme parks in these countries incomparable to those in developed countries (e.g., European countries, North America, and Japan). To effectively increase the economic benefits of amusement parks, governments of emerging countries strictly regulated the benefits generated by amusement facilities. In addition, because indoor amusement facilities allow customers to still enjoy themselves during bad weather, and because of the rapid development of digital audiovisual technologies in recent years, traditional mechanical amusement facilities are less and less effective for attracting the attention of new-generation tourists, who are now growing up with internet and social media. Therefore, when planning and constructing theme parks, emerging countries typically prioritize indoor amusement facilities that feature 3D sound and lighting effects and stimulate a sense of excitement in users. To reconstruct their tourism industries and boost their economy, European countries and the US have successively initiated tourist attraction reform projects, building leisure facilities by restricting existing buildings and movie theaters. These leisure facilities are based on a composite business model comprising department stores and hotels to attract visitors. Because simulator rides are built according to the height restrictions of existing buildings to provide consumers with

an all-new entertainment experience, this type of facility became the primary focus of Europe and the US in reconstructing amusement facilities.

B. Construction and formation of industry supply chain

Before the Company entered the simulator ride market, there were no vendors investing in similar products in Taiwan. Since undertaking the “Taiwan Formosa” project for E-DA Theme Park, the Company has adequately leveraged Taiwan's strong R&D and production capabilities of information hardware and precision machinery industries. With the efforts devoted by the Company's R&D personnel and domestic vendors, Taiwan has become one of the few countries worldwide capable of constructing simulator ride bases. Not only were the production costs of amusement facilities lowered, but the quality of these facilities reached international standard. Subsequently, a complete and tight supply chain in the simulator ride industry was established. Because simulator rides are completely customized according to customer needs, the Company's supply chain system enable the design, motion control, or digital content of such rides to be adjusted whenever required depending on customer needs. Thus, customer demand can be satisfied, thereby increasing the overall competitiveness of the Company.

C. Establishing word of mouth facilitates business promotion

Distinct from general consumer electronic products, simulator rides feature long life cycle, high degree of customization, high technical threshold, and high cost; therefore, customer repurchase and loyalty increased after establishing the word of mouth for the technology and quality of this product. Since completing “Taiwan Formosa” and “FlyOver Canada” projects, the Company has accumulated considerable experience, word of mouth brand equity, and popularity in the simulator ride market. Project openings like additional “FlyOver” projects in the US and Europe, a signature attraction at Germany’s Europa-Park and delivery of m-Ride flying theaters to Legoland parks around the world created additional brand awareness. In addition, by forming strategic alliance with internationally well-known amusement facility suppliers, Brogent has further raised its competitive advantage over the last decade.

D. Supported by strong technology

Since its inception in 2001, Brogent has endeavored to develop audiovisual multimedia technologies, accumulating considerable experiences in technological development. Thus, Brogent has established partnerships with multiple

international mobile phone factories, and received Small Business Innovation Research (SBIR) subsidies from the Ministry of Economic Affairs (MOEA) multiple times. In 2007, Brogent was honored with the award of excellence in SBIR from the Department of Industrial Technology, MOEA. Regarding simulator ride facilities, Brogent has received the European Star Award three years in a row starting 2017 a recognition not only for its technological capability but also for the experience value that it prove to provide since the successful implementation of the “Beautiful Formosa” and “FlyOver Canada “projects. Just recently Brogent received it’s first Thea Award from the Themed Entertainment Association, one of the most prestigious awards in the location based entertainment industry. For example, the unique fish eye lens designed by Brogentcan achieve the projection effects of a spherical screen simply by installing them with a single projector. Thus, the cost and space required for projector installation are substantially reduced, and the stability and image quality of the projector system are considerably enhanced. A unique selling proposition that brings operating cost advantages until today. Brogent's self-developed automated control technology can integrate motion platforms with video systems with increased precision. This way, riders can perceive the experience of an immersive flight. Furthermore, Brogent also possesses the capacity to develop digital content, and customize it according to customer needs, thereby providing multiple choices to our customers. Therefore, Brogentenhances the technological capacity of its research team, and therefore has substantial room for improvement.

(2) Unfavorable factors and their response strategies

A. Closed sales channel for simulator rides, impeding business expansion

Simulator rides are installed at location based entertainment venues like theme parks, museums, or zoos. Unlike general daily necessities, the sales channel of simulator rides is relatively closed, and suppliers specializing in this market are mostly business operators who have established their status for a long time. Thus, new vendors cannot easily directly enter this supply chain system and expand their businesses.

Response strategies:

The Company fully understands the characteristics of this industry. To expand its market and increase its market share The Company has run a dual strategy: On the one hand, the Company formed a strategic alliances with internationally known suppliers of amusement facilities who have had a history of more than 60 years in the industry. These suppliers assist the Company in expanding its market channel to

successfully enter the supply chain of the theme park industry and facilitate its expansion into the global market. As a consequence Brogent has already entered the international theme park market (i.e. Europa-Park in Germany and Legoland Florida in the US). On the other hand, the Company has established its own sales team over the last decade that is building on the brand awareness. Products are well received by the general public and the positive feedback creates good references and a strong brand reputation.

B. Shortage of professional talent, hindering talent recruitment

Because information electronic related industries remain the dominant of the domestic market, and domestic vendors have already established a complete supply chain in the information hardware industry, general graduates still prefer to enter industries relevant to information electronics. Furthermore, domestic universities and colleges have established faculty departments associated with software design or amusement facilities in recent years. However, talent still require additional training, and simulator ride technologies encompass a wide variety of aspects, thus making R&D talent recruitment and cultivation difficult.

Response measures:

Engage in industry-academia cooperation with National Yang Ming Chiao Tung University and National Sun Yat Sen University of Electrical Engineering. Also Sun Yat Sen University to cultivate high-quality experts of digital content development and foster technological talent that industries require; provide employees with favorable working environment, perfect employee welfare systems, and formulate reward/punishment systems as well as employee training programs; and establish job positions according to employees' expertise and characteristics and provide employees with the opportunity to become a shareholder of the Company so that they could share business outcomes with the Company, thereby cohering their efforts and reducing turnover rate.

C. Raw material price and supply stability

The hardware system of the Company's simulator rides comprises the following: The raw materials of carriers, six-axis platform, and steel structures are mostly steel and iron. The prices of these raw materials may vary according to market supply and demand, causing price fluctuations, thereby influencing the Company's purchasing cost and profitability.

Response strategies:

In addition to having maintained a positive and long-term cooperative relationship with its suppliers, the Company appropriately adjusts its sources of procurement and disperses different purchasing vendors to seek the most optimal price quotation. Thus, over-concentration in purchasing, thereby increasing operating risks can be avoided.

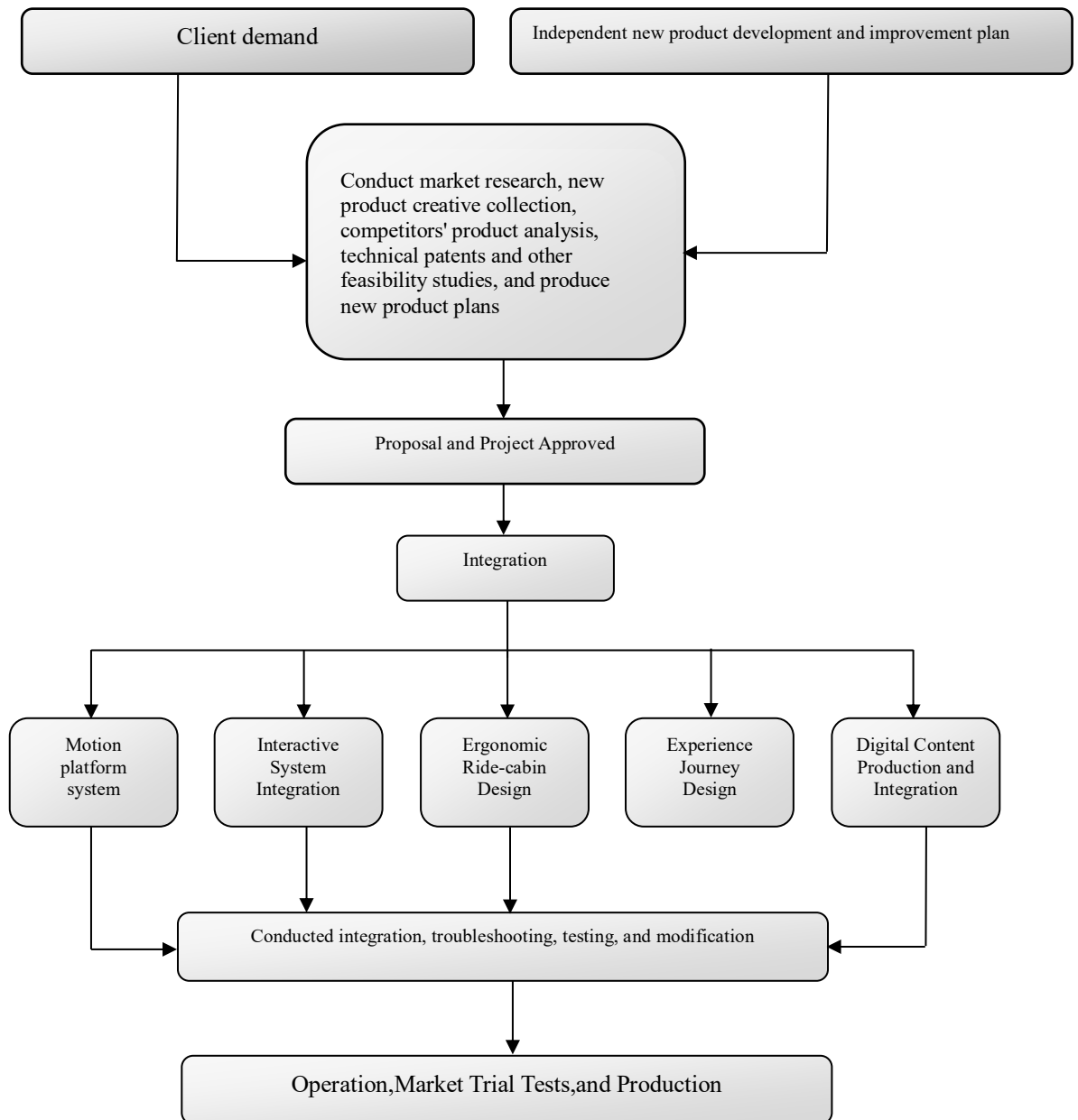
(2) Major product usage and manufacturing processes

1. Main purposes

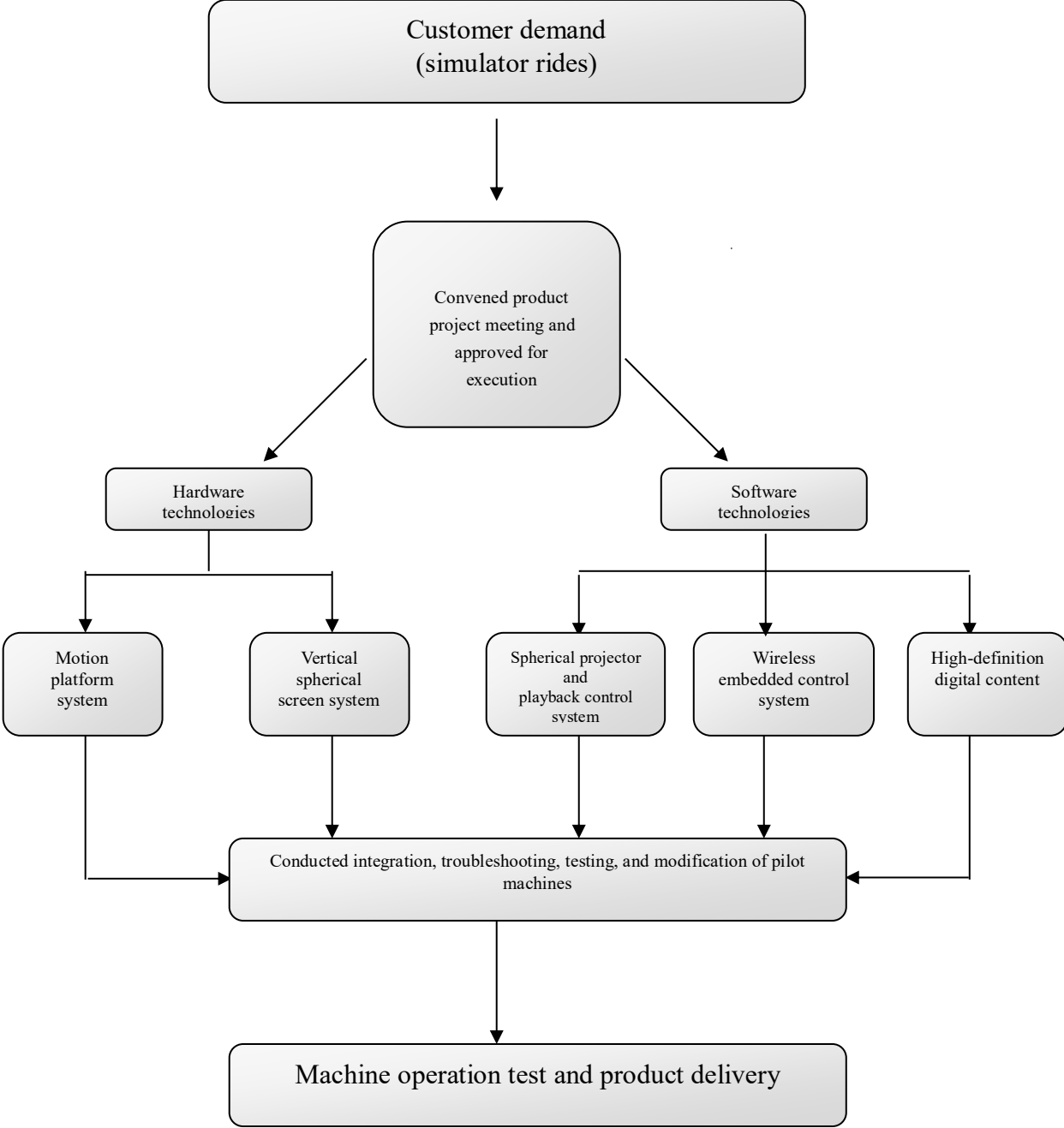
Theme park, museum, exhibition hall, shopping center, and indoor professional experience center afford entertainment and educational training functions to diversify Brogent's client base, provide adventurous experiences, and elicit sense of excitement.

2. Manufacturing process

A. Small-sized Rides :



B. Simulator rides:



3. State of supply of chief raw materials

Primary spare parts	Supply condition
1.Stewart six-axis platform	Good, stable
2.Structure of ride carriers	Good, stable
3.Spherical screen	Good, stable
4.Servo valve, motor	Good, stable
5.Projector	Good, stable
6.Acoustic equipment	Good, stable
7.Digital content contractor	Good, stable

The hardware and software systems of the simulator rides are designed and developed by the Company. Regarding the mechanical hardware parts, the Company cooperates with its vendor and commissions contractors for assistance. The Company and its suppliers have a stable cooperative relationship, facilitating the stable material supply. Therefore, there were no incidences of supply interruption.

4. Major buying and selling vendors/customer information

(1) Names of customers who accounted for more than 10% of the sales in the last two years, sales as a percentage of total sales, and reasons of change.

Unit: NT\$ 1,000

Item	2021				2022			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	CAN0002	63,495	8.06	None.	CAN0002	233,417	29.04	None
2	CHN0016	490,643	62.28	None.	CHN0016	124,749	15.52	None
3	GBR	47,968	6.09	None	GBR	82,519	10.27	None
	Others	185,643	23.57		Others	363,081	45.17	
	Total	787,749	100.00		Total	803,766	100.00	

Note:The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

Reasons for changes:

The products sold by the company are mainly somatosensory simulation amusement equipment, and the sales targets are mainly customers in the cultural and entertainment industry. The customers with more than 10% of the net sales in 2022 are the world's largest comprehensive operators of cultural and entertainment industries, and they are all the objects of the company's continuous operation and cooperation, so there are no major changes in the second phase.

To increase its market share in the global market, the Company continues to work with international vendors and Taiwanese vendors, actively vie for their

cooperation, and devoted to seeking new client base to disperse sources of customer order and maintain robust growth.

(2) Names vendors who accounted for more than 10% of the purchases in the last two years, purchases as a percentage of total purchase, and reasons of change

Unit: NT\$ 1,000

Item	2021				2022			
	Name	Amount	Percentage of total purchase (%)	Relationship with issuer	Name	Amount	Percentage of total purchase (%)	Relationship with issuer
1	A0000024	0	0.00	None.	A0000024	182,092	27.16	None.
2	A0000008	39,825	11.05	None.	A0000008	70,228	10.48	None.
3	A0000012	43,016	11.93	None.	A0000012	30,635	4.57	None.
	Others	277,596	77.02	-	Others	387,357	57.79	-
	Total	360,437	100.00		Total	670,312	100.00	

Note: The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

Reasons for changes:

To develop simulator rides, the Company adequately uses the technical strength, flexibility, and willingness of small and medium enterprises to cooperate. In addition, the Company plans, designs, and collects the various technical and production information of international companies, commissioning contractors to manufacture our products. Furthermore, the Company cooperates with small and medium enterprises to construct the supply chain system of simulator ride facilities. The Company primarily procures six-axis platform, ride carriers, spherical screens, servo valve, and projector and acoustic equipment. Except for when customers designate their preferred suppliers, the Company's suppliers are selected according to their quality, stability, delivery date, and price.

Overall, except for A0000024, which is a single-project outsourcing manufacturer, the changes in the company's main suppliers in the last two years are mainly based on the scale and completion of their projects, and there are no major abnormalities.

5. Output volume and value during the most recent two years

The Company's primary business involved the R&D and sales of simulator rides. Since 2008 when the Company started the development and selling of simulator ride facilities, these facilities, including their hardware and software systems and automated control system, were designed and developed by the Company. The mechanical body

engineering part was commissioned to external contractors, and the Company purchases the final product from the supplier and therefore is not a manufacturing industry. Thus, the Company is not associated with output volume and value.

6. Sales volume and value during most recent two years

Unit: NT\$1,000

Primary products	2021				2022			
	Domestic sales		Exports		Domestic sales		Exports	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Simulator rides	-	-	-	729,153	-	-	-	655,326
Others (Note)	-	27,785	-	30,811	-	53,378	-	95,062
Total	-	27,785	-	759,964	-	53,378	-	750,388

Note: Others refer to repair and maintenance and income generated sales (gaming machines) and labor affairs.

Reasons for changes:

The primary products simulator ride, the amount and ratio of exports are comparable to those of 2021, and there have been no major changes. All of them are mainly for export, and there have been no major changes.

III. Employee Information in the Past 2 Years to the Date of the Annual Report

Year		End of 2021	End of 2022	Up to April 2, 2023
Number of employees	Managerial officer	35	41	41
	R&D personnel	118	120	121
	General employee	112	118	115
	Total	265	279	277
Average age		38	38.07	38.14
Average years of service (year)		5.3	5.6	5.75
Education distribution (%)	Ph.D	1.13	1.08	1.08
	Master's	43.02	41.22	41.16
	University	47.92	49.82	49.82
	College	4.16	3.94	3.97
	Senior high school	3.77	3.94	3.97

IV. Environmental protection expenditure information

(1) The Company primarily engages digital content development and selling of simulator rides, the production of which is entirely outsourced to external contractors. Therefore, the Company is not associated with pollution concerns.

1. According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: Not applicable.

2. Disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimation cannot be made, provide the explanation: None.

(2) The 2nd stage of R&D and experience center was completed in 2016 and awarded the green building certificate issued by Ministry of the Interior (Certification No. GB-BC-01-00164 on 105.12.16) The related green power arrangement is explained as followings:

1. Installation of solar power-Using the roof space to install solar electric power generation

can output electricity without any pollution, noise and danger ; Besides, the solar panels are able to beautify the roof, resist the irradiation of sun, and reduce indoor temperature in summer for energy saving and carbon reduction.

2. Installation of central air-conditioning control system-The air-conditioning is operated by the central air-conditioning control system. It can monitor the situation of all air-conditionings for avoiding unnecessary waste.
 3. Installation of all heat exchangers-All heat exchangers, as a part of the central air-conditioning control system, it achieves increasing the air convection, improving indoor air quality(reduce CO2 concentration), decreasing the electricity fee and energy loss made by air exchange.
 4. Build up rain storage and recycle irrigation systems-We recycle rain and store it after filtering, in order to irrigate the plants. In this way, we can reuse the resource and cut down the waste of water resource.
 5. Use LED lightening system-All of office area and the test area of factory building are equipped with LED lighting. Additionally, we have the switch schedule to every illumination area for energy saving and carbon reduction.
 6. Set up indoor air quality supervisory system-We regularly supervise the indoor pollutants, and ensure air quality with the current National and International Standards.
 7. On November 25, 110, the original certification authority, Taiwan Architecture Center, conducted an on-site inspection and confirmed that the current status was consistent with the original design, and agreed to extend the certification for five years until December 16, 115.
- (3) Brogent is a general office building instead of the manufacturing industry in Kaohsiung Software Technology Park. We collaborated with government policy in promoting the energy saving measures in 2021.
 - (4) We make effort to develop every energy saving measures aggressively. We take measures to use the office supplies with energy saving mark, increase the usage rate by managing the classification of waste, and strengthen indoor greening to improve air quality.
 - (5) Since 2020, we have been donating our company's recycled materials (including waste

packaging materials) to the Environmental Protection Station of the Kaohsiung Branch of Tzu Chi Foundation, in order to implement the concept of environmental protection and resource reuse, and inject infinite vitality into the materials.

- (6) Brogent technologies INC. belongs to cultural and creative industry and our products are mostly made by subcontractors. We enact the safe policy and irregularly execute the training of labor safety. Our security system and environment maintenance are both responsible by the professional subcontractors. All of the fire equipments are regurly maintained and declared by the related departments; In addition, the access control is restricted by the identification card. For safety, everyone has to swipe the identification card to get in each entrance.

V. Labor Relations

1. Set forth all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

- (1) Employee welfare measures and implementation status

The Company offers the following welfare to its employees: labor and health insurance, employee group insurance, business travel accident insurance, employee health examination, three-festival bonuses (Dragon Boat Festival, Moon Festival, and Chinese New Year), and allowances for marriage, funeral, sick leave, bereavement, maternal leave subsidies, Staff lunch feast and maternity as well as year-end party.

In addition, the Company has also set up an Employee Welfare Committee that handles employees' various welfare affairs, including annual employee travel benefit, birthday bonus, seasonal gatherings, family days, Sports day, club activities, ball games, road running and emergency relief.

- (2) Employee training & development, and status of their implementation

To enhance employee quality and their work efficiency and quality, the Company requires all its new recruits to receive orientation training to create a smoother transition into this company and their new position. During their period of employment, the Company integrates online / internal / external resources and designs diversified development programs based on business objectives and the nature of the individual's job, Online Courses offer flexibility; Internal training courses entail exchanging internal professional technologies and improving employee productivity; external courses depend on company requirements. Employees may be dispatched to attend external seminars and courses. Thus, the Company's employees are provided with

opportunities to receive professional training. Actual training attendance is registered and managed with the hope of fostering professional talent and effectively nurture and utilize talent by multiple program.

(3) Employee recognition and status of implementation

The Company sponsors various internal award programs to recognize both individual and at a team level. Such as “Bo Le” team competition is designed for encouraging those teams who demonstrate the value of teamwork; “idea proposal” award is consistent with the Company’s value “Creativeness: To innovate by boundless thinking, create brand new immersive and emotive experiences”; Excellent Instructor Award: praises the outstanding performance and contribution of internal instructors in training courses for employees.; Service Award: recognition and appreciation of senior employees and their long-term commitment and dedication.

Apart from corporate-wide awards, employees continued to be recognized as the Model Labor Award since 2019.

(4) Employee pension system and status of implementation

The Company regulates employee pension system according to the Labor Standard Act and Labor Pension Act, In 2021, The Company regulates employee pension system according to the Labor Pension Act. Since there is no applicable employee, the old pension system of Labor Standard has been closed in May. As of July 1, 2005, when the new labor pension system was implemented by the government, employees who prefer the new pension system shall have 6% of their monthly salary contributed to their personal pension account and shall retain their seniority status as required by the Labor Standard Act, to ensure their living needs after they retire.

(5) Labor negotiations

The Company is subject to the Labor Standard Act, operating its business in accordance with the Labor Standard Act. Generally, the Company emphasizes the importance of employee welfares and communication with its employees; therefore, it has maintained a harmonious relation with its employees. In addition, to maintain positive labor relation, the Company attaches increased importance on employee opinions, which can be communicated by the employees via email or any other communication channel. Since its establishment, the Company has not been involved in labor disputes. Moreover, the Company will still set up multiple communication channels for its employees so that a more harmonious labor relationship can be sustained and creates a win-win situation for the Company and employees.

(6) Measures for protecting employee rights and interests

The Company has a complete document management system that specifies various management regulations, employee rights and obligations and their welfares, to protect employee rights and interests.

- (7) Preventive measures taken to ensure a safe working environment and maintain employees' personal safety:

The Company hires designated personnel to plant flowers and trees in vacant spaces surrounding the Company. By applying the practice of landscape greening, the Company creates a comfortable, safe working environment and plans an effective parking space. The Company constructs a safe, healthy working environment and regularly provides employee health examination to maintain employee physical and mental health. In addition, a Labor Safety and Health Committee is established to engage in promotion efforts for environmental protection and labor safety and health. The Company also offers employee safety and health training programs to help employees enhance their health and safety related knowledge and skills.

2. Describe the loss suffered by the company due to labor disputes occurring in the most recent 2 fiscal years and up to the annual report publishing date, and disclose the estimated amount expected to be incurred for the present and future as well as the preventive measures:

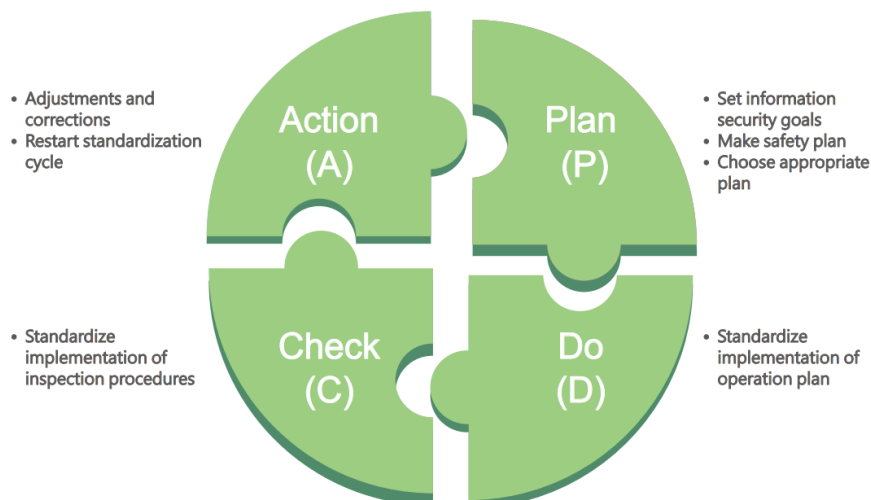
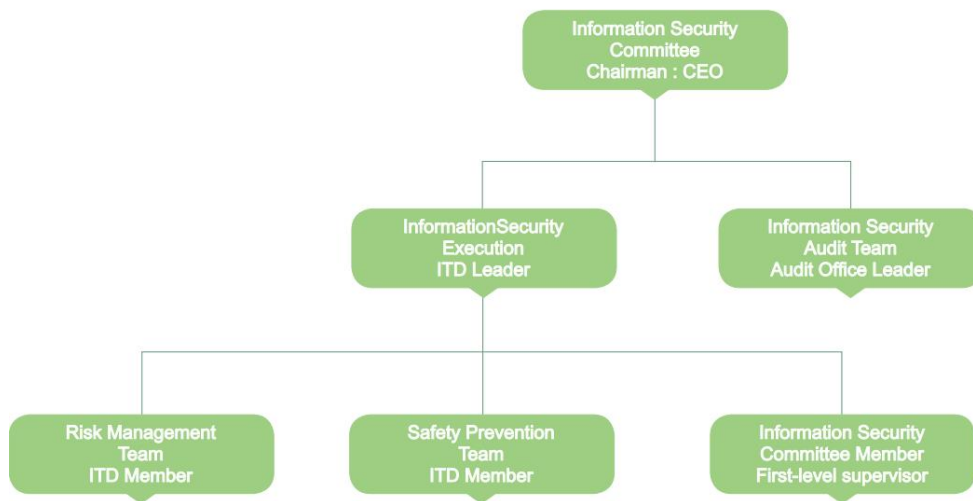
The Company maintains a harmonious relationship with its employees. There were no losses incurred from incidences of labor disputes during the most recent 2 years up to the publishing date of the annual report. The Company upholds the principle of maintaining a reciprocal relationship and sharing profits with its employees. There is minimum likelihood of losses due to labor disputes occurring in the future.

VI. Cyber security management

1. Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

(1) Cyber security risk management framework

The responsible unit for information security of the company is the Information Department, which has one information manager and several information engineers. The unit responsible for formulating company information security policies, planning information security measures and promoting the implementation of relevant information security operations. There is also a special organization of the Information Security Committee, which holds regular meetings every year and the general manager serves as the chairman, and the first-level supervisor of each unit serves as the security committee. The Information Security Committee adopts the ISO27001 information security management system standard "PDCA cycle" to ensure the achievement and continuous improvement of the company's information security management goals.



(2) Cyber security policies

The company's information security objectives are to ensure the confidentiality, integrity, availability and compliance of the core system management business and to identify and evaluate qualitative or quantitative risks according to the importance of assets to control and confirm the effectiveness of information security management implementation and whether information security objectives are achieved.

- i. Confidentiality: ensure that any sensitive information of the company is not disclosed on the Internet.
- ii. Integrity: ensure the correctness of the company's sensitive information.
- iii. Availability: ensure that the important information held by the company is actually backed up.
- iv. Compliance: follow the relevant laws of my country to avoid the rights and interests of the company or third parties infringe.

(3) Concrete management programs

- i. Management methods and norms: Formulate relevant information security norms and operating methods, and implement due information security behaviors for all employees of the company and regularly check whether the relevant system is in conflict with the company's internal process, and adjust it in a timely manner if necessary.
- ii. Tie-in system: In order to prevent various information security threats from internal and external sources, the corresponding information systems are built and integrated according to the actual situation to strengthen the security of the company's overall information environment and through the annual emergency response drill to verify the effectiveness of each system.
- iii. Internal education and training: Regularly implement internal information security education and training and information security publicity, and at the same time, through actual information security drills to grasp whether all employees of the company have sufficient information security awareness.

(4) Investments in resources for cyber security management

Each annual fixed budget shall be invested in the construction of information security, including the introduction and optimization of information equipment or systems, information security education and training, external service fees, etc., so as to improve the company's overall protection and information security capabilities.

2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company has not found any significant information security incidents in the 2022 and 2023 of the annual report. It has or may have a material adverse effect on the company's business and operations, and has not been involved in any legal cases or regulatory investigation. survey. In the future, we will continue to review and evaluate its information security regulations and procedures annually to ensure its appropriateness and effectiveness to control or maintain the functions of important business operations such as the company's operations and accounting.

VI. Important contracts

Nature of contract	Contracting parties	Date of contract start and end	Content	Restriction clauses
Sales	USA USA0013	2022.02.28~May terminate the contract according to agreement	Simulator rides	None
	Mexico MEX0002	2022.05.09~May terminate the contract according to agreement	Simulator rides	None
	China CHN0016	2022.09.26~May terminate the contract according to agreement	Simulator rides	None
	Taiwan TWN0030	2022.12.19~May terminate the contract according to agreement	Simulator rides	None
	Singapore SGP0002	2022.12.27~ May terminate the contract according to agreement	Simulator rides	None
	Mexico MEX0003	2022.12.29~May terminate the contract according to agreement	Simulator rides	None
Operation	Keelung City Government	2022.03.18~nine years after grand opening date	Keelung Station (Old Station)	None
Real Estate Sales	Reychen Steel Co., Ltd.	2022.05.13~2022.08.31	Sales of Taoyuan premises	None
Equipment Rental	Brogent Global Inc.	2019.01.10~2029.01.09	Simulator rides	None
Land Rental	Export Processing Zone Administration, MOEA	2012.3.14 - 2032.3.13	Renting of Kaohsiung Software Park Land	None
	Reychen Steel Co., Ltd.	2022.09.01~2026.02.28	Renting of Taoyuan premises	None
Loan	Taiwan Cooperative Bank	2016.04.11 - 2031.10.13	Long-term collateral-based loan application	None

VII. Financial Overview

1. Condensed balance sheets and statement of income (2018 - 2022)

(1) Condensed balance sheets

1. Condensed balance sheets- International Financial Reporting Standards (IFRS)- Consolidated(Note 1)

Unit: NT\$ 1,000

Year		Financial information: FY2018 - FY2022					As of April 2, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		2,673,862	3,056,839	3,172,477	2,817,637	3,098,240	-
Property, plant and equipment		1,066,459	1,045,007	957,475	976,416	758,358	-
Intangible assets		166,597	232,299	183,694	166,000	196,740	-
Other assets		308,893	814,435	799,366	816,386	898,035	-
Total Assets		4,215,811	5,148,580	5,113,012	4,776,439	4,951,373	-
Current liabilities	Before Distribution	532,823	943,231	640,872	881,363	943,026	-
	After Distribution	745,194	1,255,416	640,872	881,363	(Note 2)	-
Non-current liabilities		783,516	1,164,219	1,823,113	861,668	813,974	-
Total liabilities	Before Distribution	1,316,339	2,107,450	2,463,985	1,743,031	1,757,000	-
	After Distribution	1,528,710	2,419,635	2,463,985	1,743,031	(Note 2)	-
Equity attributable to owners of parent		2,836,176	2,967,957	2,646,269	3,032,000	3,194,120	-
Capital Stock	Before Distribution	530,928	557,474	557,474	609,644	625,174	-
	After Distribution	557,474	557,474	557,474	609,644	(Note 2)	-
Capital Surplus	Before Distribution	2,027,723	1,968,156	2,021,953	2,501,234	2,648,189	-
	After Distribution	1,968,259	1,968,156	2,021,953	2,501,234	(Note 2)	-
Retained earnings (Accumulated deficit)	Before Distribution	270,513	457,184	93,306	(39,447)	(100,727)	-
	After Distribution	91,060	144,999	93,306	(39,447)	(Note 2)	-
Other equity		7,012	(14,857)	(26,464)	(39,431)	21,484	-
Treasury shares		-	-	-	-	-	-
Non-controlling interests		63,296	73,173	2,758	1,408	253	-
Total Equity	Before Distribution	2,899,472	3,041,130	2,649,027	3,033,408	3,194,373	-
	After Distribution	2,687,101	2,728,945	2,649,027	3,033,408	(Note 2)	-

Note 1: Financial information from 2018 to 2022 was audited by CPA.

Note 2: The 2022 Deficit Compensation plan has not been resolved in the shareholders' meeting.

Note 3: The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

2. Condensed balance sheets- International Financial Reporting Standards (IFRS)- Individual(Note 1)

Unit: NT\$ 1,000

Item \ Year	Financial information: FY2018 - FY2022					As of April 2, 2023 (Note 3)	
	2018	2019	2020	2021	2022		
Current assets	1,888,931	2,832,402	2,454,972	2,133,729	2,523,633	-	
Property, plant and equipment	852,130	831,525	906,849	953,484	753,565	-	
Intangible assets	102,946	85,303	55,551	81,234	79,235	-	
Other assets	1,008,906	755,674	1,089,089	1,148,125	1,232,949	-	
Total Assets	3,852,913	4,504,904	4,506,461	4,316,572	4,589,382	-	
Current liabilities	Before Distribution	356,515	747,403	337,621	690,396	768,575	-
	After Distribution	568,886	1,059,588	337,621	690,396	(Note 2)	-
Non-current liabilities	660,222	789,544	1,522,571	594,176	626,687	-	
Total liabilities	Before Distribution	1,016,737	1,536,947	1,860,192	1,284,572	1,395,262	-
	After Distribution	1,229,108	1,849,132	1,860,192	1,284,572	(Note 2)	-
Equity attributable to owners of parent	2,836,176	2,967,957	2,646,269	3,032,000	3,194,120	-	
Capital Stock	Before Distribution	530,928	557,474	557,474	609,644	625,174	-
	After Distribution	557,474	557,474	557,474	609,644	(Note 2)	-
Capital Surplus	Before Distribution	2,027,723	1,968,156	2,021,953	2,501,234	2,648,189	-
	After Distribution	1,968,259	1,968,156	2,021,953	2,501,234	(Note 2)	-
Retained earnings (Accumulated deficit)	Before Distribution	270,513	457,184	93,306	(39,447)	(100,727)	-
	After Distribution	91,060	144,999	93,306	(39,447)	(Note 2)	-
Other equity	7,012	(14,857)	(26,464)	(39,431)	21,484	-	
Treasury shares	-	-	-	-	-	-	
Non-controlling interests	-	-	-	-	-	-	
Total Equity	Before Distribution	2,836,176	2,967,957	2,646,269	3,032,000	3,194,120	-
	After Distribution	2,623,805	2,655,772	2,646,269	3,032,000	(Note 2)	-

Note 1: Financial information from 2018 to 2022 was audited by CPA.

Note 2: The 2022 Deficit Compensation plan has not been resolved in the shareholders' meeting.

Note 3: The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

(2) Condensed statements of income

1. Condensed statements of income- International Financial Reporting Standards (IFRS)-Consolidated (Note 1)

Unit: NT\$ 1,000

Item \ Year	Financial information: FY2018 - FY2022					As of April 2, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Sales revenue	1,637,438	2,080,441	1,062,899	787,749	803,766	-
Gross profit	721,242	1,002,360	502,416	376,506	330,517	-
Operating income (loss)	289,512	420,809	(22,524)	(180,135)	(247,263)	-
Non-operating income and expense	31,615	51,092	(19,314)	26,353	163,305	-
Net income (loss) before tax	321,127	471,901	(41,838)	(153,782)	(83,958)	-
Continuing operations Net income (loss)	258,418	383,810	(51,758)	(133,323)	(62,398)	-
Profit and loss of discontinuing operations	-	-	-	-	-	-
Net income (loss)	258,418	383,810	(51,758)	(133,323)	(62,398)	-
Other comprehensive income (loss) (net of income Tax)	10,899	(22,242)	(11,734)	(14,864)	60,878	-
Total comprehensive income (loss)	269,317	361,568	(63,492)	(148,187)	(1,520)	-
Net income (loss) belongs to the parent company	257,168	366,525	(49,184)	(131,956)	(60,726)	-
Net income (loss) belongs to non-controlling interests	1,250	17,285	(2,574)	(1,367)	(1,672)	-
Total comprehensive income (loss) belongs to the parent company	268,032	344,255	(61,512)	(145,203)	189	-
Total comprehensive income (loss) belongs to the non-controlling interests	1,285	17,313	(1,980)	(2,984)	(1,709)	-
Earnings (Loss) per share	4.84	6.57	(0.88)	(2.31)	(0.99)	-

Note 1: Financial information from 2018 to 2022 was audited by CPA.

Note 2: The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

2. Condensed statements of income- International Financial Reporting Standards (IFRS)-Individual(Note 1)

Unit: NT\$ 1,000

Item \ Year	Financial information: FY2018 - FY2022					As of April 2, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Sales revenue	1,325,599	1,550,841	823,838	578,449	763,368	-
Gross profit	551,358	757,606	395,523	313,910	361,183	-
Operating income (loss)	214,768	323,710	(15,348)	(205,066)	(168,460)	-
Non-operating income (loss) and expense	86,841	103,576	(38,498)	34,426	94,588	-
Net income (loss) before tax	301,609	427,286	(53,846)	(170,640)	(73,872)	-
Continuing operations Net income (loss)	257,168	366,525	(49,184)	(131,956)	(60,726)	-
Profit and loss of discontinuing operations	-	-	-	-	-	-
Net income (loss)	257,168	366,525	(49,184)	(131,956)	(60,726)	-
Other comprehensive income (loss) (net of income Tax)	10,864	(22,270)	(12,328)	(13,247)	60,915	-
Total comprehensive income (loss)	268,032	344,255	(61,512)	(145,203)	189	-
Net income (loss) belongs to the parent company	257,168	366,525	(49,184)	(131,956)	(60,726)	-
Net income belongs to non-controlling interests	-	-	-	-	-	-
Total comprehensive income (loss) belongs to the parent company	268,032	344,255	(61,512)	(145,203)	189	-
Total comprehensive income belongs to the non-controlling interests	-	-	-	-	-	-
Earnings (Loss) per share	4.84	6.57	(0.88)	(2.31)	(0.99)	-

Note 1: Financial information from 2018 to 2022 was audited by CPA.

Note 2: The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

3. The 2018 - 2022 Names of auditors and audit opinions

Year	Name of accounting firm	CPA	Audit opinion
2018	Grant Thornton Taiwan	Yu-Chieh Lo HuiPing Liu	Unqualified Opionoin (Emphasis of Matter or Other Matters)
2019	Grant Thornton Taiwan	Yao-Ting Li Yi-Shun Chang	Unqualified Opionoin (Emphasis of Matter or Other Matters)
2020	Deloitte & Touche Certified Public Accountants	Chiu-Yen Wu Lee-Yuan Kuo	Unqualified Opionoin (Emphasis of Matter or Other Matters)
2021	Deloitte & Touche Certified Public Accountants	Chiu-Yen Wu Lee-Yuan Kuo	Unqualified Opionoin
2022	Deloitte & Touche Certified Public Accountants	Chiu-Yen Wu Lee-Yuan Kuo	Unqualified Opionoin

2. Financial Analysis

(1) Financial analysis (2018 - 2022)

1. Financial Analysis- International Financial Reporting Standards (IFRSs)-Consolidated(Note 1)

Item		Year	Financial analysis (2018 - 2022)					As of April 2, 2023 (Note 2)
			2018	2019	2020	2021	2022	
Financial structure (%)	Debt-to-assets ratio		31.22	40.93	48.19	36.49	35.49	-
	Long-term fund to property, plant and equipment (fixed assets) ratio		345.35	402.42	467.08	398.92	528.56	-
Solvency (%)	Current ratio		501.83	324.08	495.03	319.69	328.54	-
	Quick ratio		433.81	275.27	439.02	280.61	287.79	-
	Times interest earned		3,097.55	2,088.88	(43.27)	(468.24)	(254.00)	-
Operating ability	Receivables turnover ratio (times)		5.93	6.53	3.96	3.56	3.31	-
	Average days of collection		61.55	55.90	92.17	102.53	110.27	-
	Inventory turnover ratio (times) (Note 2)		-	-	-	-	-	-
	Payables turnover ratio (times)		10.66	9.81	5.35	4.12	4.48	-
	Average days of sales		-	-	-	-	-	-
	Property, plant and equipment (fixed assets) turnover ratio (times)		1.62	1.97	1.06	0.81	0.93	-
Profitability	Total assets turnover ratio (times)		0.43	0.44	0.21	0.16	0.17	-
	Return on assets (%)		6.94	8.60	(0.55)	(2.26)	(0.89)	-
	Return on equity (%)		9.21	12.63	(1.75)	(4.65)	(1.95)	-
	Paid-in capital to income before tax (%) (Note 8)		60.48	84.65	(7.50)	(25.22)	(13.43)	-
	Net profit margin (%)		15.78	18.45	(4.87)	(16.92)	(7.76)	-
Cash flows	Earnings per share (NT\$)		4.84	6.57	(0.88)	(2.31)	(0.99)	-
	Cash flow ratio (%)		9.50	31.12	(0.19)	(2.33)	(0.85)	-
	Cash flow adequacy ratio (%)		(10.12)	3.89	23.17	36.86	24.65	-
Leverage	Cash reinvestment ratio (%)		(3.65)	2.34	(8.20)	(0.62)	(0.24)	-
	Operating leverage		1.42	1.40	(5.76)	0.14	0.28	-
	Financial leverage		1.04	1.06	0.44	0.87	0.91	-

Reasons for changes in financial ratios in the most recent 2 years. (Can be left blank if the increase or decrease is less than 20%)

1. Long-term fund to property, plant and equipment (fixed assets) ratio: Mainly due to the sale of Taoyuan land and factory buildings in this period, the amount of real estate, PP&E is large. The sharp decrease makes this ratio increase and fluctuate greatly.
2. Times interest earned: The main reason is that the loss of the current period has decreased compared with the previous period, so the negative value of the value converges.
3. Profitability: The main reason is that the loss of the current period has decreased compared with the previous period, so the negative value of the value converges.
4. Cash flows: The ratio is negative, so it will not be analyzed.
5. Leverage: Mainly due to the impact of covid-19, it is still a net operating loss.

Note 1: Financial information from 2018 to 2022 was audited by CPA.

Note 2: The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

2. Financial Analysis- International Financial Reporting Standards (IFRSs)-Individual(Note 1)

Item		Year		Financial analysis (2018-2022)					As of April 2, 2023 (Note2)
		2018	2019	2020	2021	2022			
Financial structure (%)	Debt-to-assets ratio	26.39	34.12	41.28	29.76	30.40	-		
	Long-term fund to property, plant and equipment (fixed assets) ratio	410.31	451.88	459.71	380.31	507.03	-		
Solvency (%)	Current ratio	529.83	318.76	727.14	309.06	328.35	-		
	Quick ratio	455.67	273.83	645.29	267.28	279.68	-		
	Times interest earned	4,110.22	2,901.88	(169.35)	(765.97)	(318.59)	-		
Operating ability	Receivables turnover ratio (times)	3.23	3.97	2.86	2.46	2.57	-		
	Average days of collection	113.00	91.94	127.62	148.37	142.02	-		
	Inventory turnover ratio (times) (Note 2)	-	-	-	-	-	-		
	Payables turnover ratio (times)	8.26	10.14	6.13	4.21	4.77	-		
	Average days of sales	-	-	-	-	-	-		
	Property, plant and equipment (fixed assets) turnover ratio (times)	1.70	1.84	0.95	0.62	0.89	-		
	Total assets turnover ratio (times)	0.37	0.37	0.18	0.13	0.17	-		
Profitability	Return on assets (%)	7.42	9.06	(0.74)	(2.63)	(1.05)	-		
	Return on equity (%)	9.21	12.63	(1.75)	(4.65)	(1.95)	-		
	Paid-in capital to income before tax (%) (Note 8)	56.18	76.65	(9.66)	(27.99)	(11.82)	-		
	Net profit margin (%)	19.40	23.63	(5.97)	(22.81)	(7.96)	-		
	Earnings per share (NT\$)	4.84	6.57	(0.88)	(2.31)	(0.99)	-		
Cash flows	Cash flow ratio (%)	36.86	24.66	55.83	(4.34)	(14.01)	-		
	Cash flow adequacy ratio (%)	(8.14)	0.54	35.75	39.26	29.06	-		
	Cash reinvestment ratio (%)	(1.3)	(0.76)	(3.04)	(0.85)	(2.86)	-		
Leverage	Operating leverage	1.46	1.43	(8.41)	0.50	0.22	-		
	Financial leverage	1.04	1.05	0.43	0.91	0.91	-		

Reasons for changes in financial ratios in the most recent 2 years. (Can be left blank if the increase or decrease is less than 20%)

1. Long-term fund to property, plant and equipment (fixed assets) ratio: Mainly due to the sale of Taoyuan land and factory buildings in this period, the amount of real estate, PP&E is large. The sharp decrease makes this ratio increase and fluctuate greatly.
2. Times interest earned: The main reason is that the loss of the current period has decreased compared with the previous period, so the negative value of the value converges.
3. Operating ability: The main reason is that revenue has increased, and various indicators are developing positively.
4. Profitability : The main reason is that revenue has increased, and various indicators are developing positively.
5. Cash flows: The ratio is negative, so it will not be analyzed.
6. Leverage: Mainly due to the impact of covid-19, it is still a net operating loss.

Note 1: The 2018-2022 Financial Reports of the Company have been reviewed by the CPA.

Note 2: The year to printing date April 2 2023, financial results has not yet been reviewed by CPA.

Note 3: The Company primarily focuses on the R&D and design of simulator rides by using its design, R&D, and system integration capabilities as well as the hardware equipment of outsourced vendors. Because the Company's core value is its design, R&D, and system integration capabilities, its business characteristic differs from general manufacturing industries in that the Company manufactures and sells physical products. Therefore, inventory turnover ratio is not calculated.

Note 4: The following calculation formulas shall be displayed at the end of the tables of the annual report.

1. Financial structure

(1) Debt-to-asset ratio = total liabilities / total assets.

(2) Long-term fund to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.

(3) Times interest earned = net income before income tax and interest expense / current interest expense.

3. Operating ability

(1) Receivable (including accounts receivable and business-related notes receivable) turnover ratio = net operating revenue / average balance of receivable of the period (including accounts receivable and business-related notes receivable).

(2) Average days of collection = 365 / receivables turnover ratio.

(3) Inventory turnover ratio = cost of goods sold / average amount of inventory.

(4) Payable (including accounts payable and business-related notes payable) turnover ratio = cost of goods sold / average balance of payable of the period (including accounts payable and business-related notes payable).

(5) Average days of sales = 365 / inventory turnover ratio.

(6) Property, plant and equipment turnover ratio = net sales / net average property, plant and equipment.

(7) Total assets turnover ratio = net sales / total average assets.

4. Profitability

(1) Return on assets = [net income + interest expense (1 - tax rate)] / average total assets.

(2) Return on equity = after-tax profit / total average equity.

(3) Net profit margin = net income / net sales.

(4) Earnings per share = (income attributable to owners of parent - dividend to preferred stock) / weighted average of shares issued. (Note 4)

5. Cash flows

(1) Cash flow ratio = new cash flows from operating activities / current liabilities.

(2) Cash flow adequacy ratio = net cash flows from operating activities in the past five years / (capital expenditure + increase in inventory + cash dividend) in the past five years.

(3) Cash reinvestment ratio = (net cash flows from operating activities - cash dividend) / (gross margin of property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)

6. Leverage:

(1) Operating leverage = (net operating income - variable operating cost and expenses) / operating income (Note 6).

(2) Financial leverage = operating income / (operating income - interest expense)..

3. **Audit Committee Audit Report**
Refer to Appendix 2.
4. **Financial Report and CPA Review Report**
Refer to Appendix 3.
5. **Individual financial report reviewed by CPA**
Refer to Appendix 3 of the company's Chinese version 2022 annual report.
6. **Financial difficulties and corporate events encountered by the Company and affiliates in the past two years and up to the date of report that have material impact on the financial status of the Company: None.**

VIII. Precautions of Review and Analysis of Financial Status and Business Performance

1. Financial status (1) Consolidated

Unit: NT\$ 1,000

Item \ Year	2021	2022	Variation	
			Amount	%
Current assets	2,817,637	3,098,240	280,603	10
Property, plant and equipment	976,416	758,358	(218,058)	(22)
Intangible assets	166,000	196,740	30,740	19
Other assets	816,386	898,035	81,649	10
Total Assets	4,776,439	4,951,373	174,934	4
Current liabilities	881,363	943,026	61,663	7
Non-current liabilities	861,668	813,974	(47,694)	(6)
Total liabilities	1,743,031	1,757,000	13,969	1
Capital Stock	609,644	625,174	15,530	3
Capital Surplus	2,501,234	2,648,189	146,955	6
Retained earnings	(39,447)	(100,727)	(61,280)	155
Other equity	(39,431)	21,484	60,915	(154)
Non-controlling interests	1,408	253	(1,155)	(82)
Total Equity	3,033,408	3,194,373	160,965	5
<p>Analysis and explanation of changes:</p> <p>(1) The decrease in PP&E was mainly due to sale of Taoyuan land and factory buildings in this period.</p> <p>(2) The decrease in retained earnings was mainly due to operating loss in the current period.</p> <p>(3) The increase in other equity was mainly due to the unrealized evaluation benefits of investing in stocks.</p> <p>(4) The decrease in non-controlling interests is mainly due to the combined recognition of hexaRide's non-controlling interests.</p> <p>Major Impact on Financial Performance: The above deviations had no major impact on financial performance.</p> <p>Future Plan on Financial Performance: Not applicable.</p>				

(2) Individual

Unit: NT\$ 1,000

Item \ Year	2021	2022	Variation	
			Amount	%
Current assets	2,133,729	2,523,633	389,904	18
Property, plant and equipment	953,484	753,565	(199,919)	(21)
Intangible assets	81,234	79,235	(1,999)	(2)
Other assets	1,148,125	1,232,949	84,824	7
Total Assets	4,316,572	4,589,382	272,810	6
Current liabilities	690,396	768,575	78,179	11
Non-current liabilities	594,176	626,687	32,511	5
Total liabilities	1,284,572	2,523,633	389,904	18

Item \ Year	2021	2022	Variation	
			Amount	%
Capital Stock	609,644	1,395,262	110,690	9
Capital Surplus	2,501,234	625,174	15,530	3
Retained earnings	(39,447)	2,648,189	146,955	6
Other equity	(39,431)	(100,727)	(61,280)	155
Non-controlling interests	-	21,484	60,915	(154)
Total Euity	3,032,000	-	-	-

Analysis and explanation of changes:
(1) The decrease in PP&E was mainly due to sale of Taoyuan land and factory buildings in this period.
(2) The decrease in retained earnings was mainly due to operating loss in the current period.
(3) The increase in other equity was mainly due to the unrealized evaluation benefits of investing in stocks.
Major Impact on Financial Performance: The above deviations had no major impact on financial performance.
Future Plan on Financial Performance: Not applicable.

2. Financial performance

(1) Comparative analysis of business performance- Consolidate

Unit: NTS 1,000

Item \ Year	2021	2022	Change (amount)	Variation as a percentage (%)
Sales revenue	787,749	803,766	16,017	2
Operating cost	411,243	473,249	62,006	15
Unrealized Gross Profit on Sales to Associates	-	0	0	0
Gross profit	376,506	330,517	(45,989)	(12)
Operating expenses	556,641	577,780	21,139	4
Operating loss	(180,135)	(247,263)	(67,128)	37
Non-operating income (loss) and expense	26,353	163,305	136,952	520
Loss before tax	(153,782)	(83,958)	69,824	(45)
Income (loss) tax expenses	(20,459)	(21,560)	(1,101)	5
Continuing operations Net loss	(133,323)	(62,398)	70,925	(53)
Other comprehensive loss (net of income Tax)	(14,864)	60,878	75,742	(510)
Total comprehensive loss	(148,187)	(1,520)	146,667	(99)
Net loss belongs to the parent company	(131,956)	(60,726)	71,230	(54)
Total comprehensive loss belongs to the parent company	(145,203)	189	145,392	(100)

Analysis and explanation of changes:
(1) The decrease in operating profit is mainly due to the decrease in gross profit. Due to the long project of the completed project in this period, the increase in prices is adjusted increase project cost.
(2) The increase in non-operating income was mainly due to the disposal of PP&E benefits and exchange benefits.
(3) The decrease in continuing operations net loss mainly due to the increase in non-operating income.
(4) The increase in other comprehensive income was mainly due to the exchange differences arising on translation of foreign operating and the unrealized evaluation benefits of investing in stocks .
Major Impact on Financial Performance: The above deviations had no major impact on financial performance.
Future Plan on Financial Performance: Not applicable.

(2) Comparative analysis of business performance- Individual

Unit: NT\$ 1,000

Item	Year	2021	2022	Change (amount)	Variation as a percentage (%)
Sales revenue		578,449	763,368	184,919	32
Operating cost		264,539	402,185	137,676	52
Unrealized Gross Profit on Sales to Associates		42	-	(42)	(100)
Gross profit		313,952	361,183	47,231	15
Operating expenses		519,018	529,643	10,625	2
Operating loss		(205,066)	(168,460)	36,606	(18)
Non-operating income (loss) and expense		34,426	94,588	60,162	175
Loss before tax		(170,640)	(73,872)	96,768	(57)
Loss tax expenses		(38,684)	(13,146)	25,538	(66)
Continuing operations Net loss		(131,956)	(60,726)	71,230	(54)
Other comprehensive loss (net of income Tax)		(13,247)	60,915	74,162	(560)
Total comprehensive loss		(145,203)	189	145,392	(100)
Net loss belongs to the parent company		(131,956)	(60,726)	71,230	(54)
Total comprehensive loss belongs to the parent company		(145,203)	189	145,392	(100)
Analysis and explanation of changes:					
(1) The increase in operating income is mainly due to the control of covid 19 and the increase in income.					
(2) The increase in non-operating income was mainly due to the disposal of PP&E benefits and exchange benefits.					
(3) The decrease in income tax benefits was mainly due to the decrease in losses and the decrease in income tax benefits in the current period.					
(4) The decrease in continuing operations net loss mainly due to the increase in non-operating income.					
(5) The increase in other comprehensive income was mainly due to the unrealized evaluation benefits of investing in stocks .					
Major Impact on Financial Performance: The above deviations had no major impact on financial performance.					
Future Plan on Financial Performance: Not applicable.					

(3) Expected Sales Volume and Criteria

On the basis of current industrial environment and future market supply and demand, as well as information relevant to R&D schedule and business development, the Company expects its business to growth steadily in 2022.

3. Cash flows

(1) Analysis on the cash flow changes - Consolidated

Unit: NT\$ 1,000

Item	2021	2022	Changes (increase/decrease)
Net cash inflow (outflow) from operating activities	(20,545)	(7,979)	12,566
Net cash inflow (outflow) from investing activities	(22,260)	(45,577)	(23,317)
Net cash inflow (outflow) from financing activities	(140,343)	90,078	230,421

<p>Analysis and explanation of changes:</p> <p>(1) The decrease in net cash outflow from operating activities is mainly due to the convergence of losses in the current period.</p> <p>(2) Increase in net cash outflow from investing activities, mainly due to investment in stocks.</p> <p>(3) Increase in net cash inflow from financing activities, mainly due to borrowing.</p>

(2) Analysis on the cash flow changes - Individual

Unit: NT\$ 1,000

Item	2021	2022	Changes (increase/decrease)
Net cash inflow (outflow) from operating activities	(26,950)	(107,707)	(80,757)
Net cash inflow (outflow) from investing activities	(136,887)	17,992	154,879
Net cash inflow (outflow) from financing activities	(43,488)	91,671	135,159

<p>Analysis on the cash flow changes of in these two years:</p> <p>(1) The increase in net cash outflow from operating activities is mainly due to the fact that reserve inventory is used as a management tool for expected inflation.</p> <p>(2) Net cash inflow from investing activities increased, mainly due to the disposal of PP&E.</p> <p>(3) Increase in net cash inflow from financing activities, mainly due to borrowing.</p>
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(3) Improvement plan for inadequate liquidity: None.

(4) Cash flow analysis for the coming year

Unit: NT\$ 1,000

Cash balance, beginning	Expected cash flow from operating activities	Expected cash flow from investment and financing activities	Expected cash surplus (deficit) + -	Remedial measures for expected cash deficit	
				Investment plan	Financing plan
721,736	324,660	(168,614)	877,782	-	-

<p>Analysis on the cash flow for the coming year:</p> <p>(1) Operating activities: Cash inflow increased primarily because of the change of net income and depreciation and amortization expenses do not affect cash flow income expenses.</p> <p>(2) Investment and financing activities: Cash outflow increased primarily for obtaining PP&E.</p> <p>(3) Remedial measures for expected cash deficit: N/A</p>

4. Effect of major capital spending on financial position and business operation

(1) Major capital spending and sources of funds

None.

(2) Anticipated benefit

None.

5. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year

(1) Investment transfer policy

The Company currently focuses its investment transfer policy on business investment related targets and does not invest in other businesses. Related executing department handles affairs according to the Investment Circulation regulations of its internal control system and Procedure for Processing the Acquisition and Disposal of Assets, both of which have been reviewed and approved by the Board of Directors.

(2) Reasons for investment profit or loss in recent years

The company invests in subsidiaries to meet the needs of business expansion and future development. In 2022, the Company's Operational Highlights of Subsidiaries, please item VIII. Important Notices (2) Operational Highlights of Subsidiaries.

(3) Investment plan for the next year

The Company will review and evaluate our investment plant from a long-term strategic perspective to strengthen the channel-content management strategy and continue to strengthen our global competitiveness.

6. Analysis of risks in recent years up to the publishing date of the annual report

(1) Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures:

(A) Impact of interest rate on Company's profit and response measures

The Company uses its funds conservatively and steadily; the operation-generated funds are stored as time deposits and current deposits. The interests earned in 2021 and 2022 were respectively NT\$5,337 thousand and NT\$8,514 thousand. The bank loan interest expenses were respectively NT\$27,063 thousand and NT\$23,717 thousand. The interest earned and ratio of expenditure as a percentage of operating income and net income before tax was low. Because the Company is increasing its business scale and building the R&D Testing and Experience Center, it is expected that

the Company will need more loans in NTD. The Company will remain vigilant at changes in the banks' interest rate and maintain a good relationship with its cooperating banks so that the Company can acquire preferential interest rate to reduce the effects of interest rate variations on the Company operation.

(B) During recent years up to the annual report publishing date, the effects of exchange rate variations on the Company's profit and its future response measures

The business focus of the Company is simulator rides; the downstream customers are major as well as developers of theme parks. The simulator rides are priced in either NTD or foreign currency depending on the region of sale. Therefore, foreign currency assets are generated. The net foreign exchange gain in 2021 and 2022 were respectively NT\$(20,229) thousand and NT\$78,527 thousand, accounting for (2.57%)、9.77%、13.15% and (93.53)% of the operating income and net profit margin before tax of 2020 and 2021. Because exchange rate changes influence the profits of the Company, the Company's management authorities pay close attention to the exchange rate trends and reinforce the management of risks in exchange rate fluctuations. The corresponding measures adopted are as follows:

- ① Because of the gradual increase in export sales, the Company attempts to mitigate the effects of exchange rate changes by setting up a foreign currency savings account to manage foreign currencies. The Company assigns designated personnel from the finance department to sell excess foreign currencies under optimal conditions according to the daily foreign currency balance and monthly fund estimates, to reduce the impact of exchange rate changes on the profit.
- ② When giving quotes to foreign customers, the business department considers the effects of exchange rate variations on product prices and refers to the prices adjusted according to the changing exchange rates, or negotiates a new price in NTD with the customer, thereby mitigating the effects of exchange rate variations on the profit of the Company.
- ③ Our finance department personnel maintains a close contact with the foreign exchange departments of frequent interacting banks to adequately acquire market information and use such information to forecast the long- and short-term trends of the exchange rate and sell or buy in foreign currencies in a timely manner. Thus, the effects of exchange rate variations on the profitability of the Company can be reduced.
- ④ At the appropriate timing, the Company will have its finance department personnel to review the changes in the foreign exchange market and consider foreign exchange fund requirements and balances to determine whether hedging derivative financial instrument operating strategies should be used in accordance with the Procedure for Processing the Acquisition and Disposal of Assets, such as buying forwards in advance to avert exchange rate risks, thereby minimizing the effects of exchange rate variations on the profit of the Company.

(C) During recent years up to the annual report publishing date, the effects of inflation on the Company's profit and its future response measures:

The Company profits have not experienced material influence from inflation; it is predicted that such effect remains limited on the Company's profits. The Company will continue to monitor the inflation situation and adequately adjust its product prices accordingly.

(2) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures:

(A) The Company has always focused on its main business activities and upheld the practical principle of managing a business. Our financial policy is based on the principle of robustness and conservativeness, and thus the Company does not engage in high-risk, high-leveraging investment as well as derivative instrument transactions.

(B) From 2022 to 2023 of the annual report, the Company has not engaged in providing endorsement and guarantee, lending to others, and derivatives transactions. If such engagements are required in the future, it shall be executed in accordance with the "Operating Procedure for Endorsements and Guarantees," "Operating Procedure for Fund Lending," and "Procedure for Acquisition or Disposal of Assets" and relevant transaction information shall be announced in accordance with laws and regulations.

(3) Future R&D projects and estimated R&D expenditure:

To continuously enhance the Company's competitiveness, the Company has always actively invested in R&D efforts. In 2021 and 2022, it has expended a total of NT\$207,749 thousand and NT\$189,445 thousand in R&D, respectively accounting for 26% and 24% of the net operating income. It is expected that a total of NT\$296,504 thousand will be expended in R&D in 2022, and the Company's future R&D projects are as follows:

Unit	New products under development
Product Center	<p>A.The Integration of Interactive Games</p> <p>(1).Interactive game combining multiplayer motion-simulation system.</p> <p>(2).Sensory interactive game combining AR(augmented reality), VR(virtual reality) and MR(mixed reality) technologies</p> <p>(3).Immersive d-Ride interactive shooting game</p> <p>B.Diversified Application</p> <p>(1).Motion simulation combing 5G/AIoT technology to extend control in precise.</p> <p>(2).Diversified digital contents and real-time motion simulation intergration</p> <p>(3).Innovative application of metaverse experience.</p> <p>(4).Immersive mini-LED dome screen and mini-simulator integrated development.</p>

Unit	New products under development
	C.Product design (1).Small metaverse rides platform modular design. (2).Thematic design for outlook of mini ride. (3).Product appearance improvement.
Technical Center	A.Vertical platform product design (v-Ride height under 2 meters) B.Rotating carrier producing and optimization(o-Ride, m-Ride) C.Platform-controlled technological optimization D.Mechanical design optimization E.Arts appearance design refinement F.Equipment weight optimization G.LED screen development H.Giant 3-DOF platform producing and optimization I. Development of automatic guiding ride vehicle
Content & Design Center	A.Thematic decoration design (1).FEC(Family Entertainment Center) decoration design. (2). Operating field decoration design. B.Digital content production (1).Aerial digital content production. (2).VR digital content production. (3).Interactive-game content production.

(4) Major changes in government policies and laws at home and broad and the impact on Company finance and business and response measures:

During recent years up to the annual report publishing date, major changes in government policies and laws at home and broad exerted no material effect on Company finance and business. The Company will acquire relevant information in a timely manner and formulate necessary response measures to meet company operation requirements.

(5) Impact of recent technological (Information Security Risks) and market changes during recent years up to the annual report publishing date on the Company's finance and business, and response measures:

The Company has constantly paid attention to technological and market changes and designated personnel to search for information regarding industry-related technologies and trend variations to provide a reference for decision-making at the management level. The information can facilitate adjusting operational strategies and devise response measures. Therefore, there were no impact of recent technological and market changes on the Company's finance and business.

The Company has not found any significant information security incidents in the 2022 and 2023 of the annual report. It has or may have a material adverse effect on the company's business and operations, and has not been involved in any legal cases or regulatory investigation. survey. In the future, we will continue to review and evaluate its information security regulations and procedures annually to ensure its appropriateness and effectiveness to control or maintain the functions of important business operations such as the company's operations and accounting.

(6) Impact of corporate image change on risk management and response measures:

Since its inception, the Company actively strengthens its internal management, focusing on the management of its main business activities. In addition, it endeavors to maintain corporate image and compliance with relevant laws and regulations. To date, there have been no changes to the Company's image that would cause risks to company operation. In future, the Company will continue to comply with and implement corporate governance requirement, and consult relevant experts in a timely manner, to reduce the effects of such risk on the Company's finance and business.

(7) Expected benefits and potential risks of merger and acquisition and response measures: None.

(8) Expected benefits and potential risks of capacity expansion and response measures: None.

(9) Risks associated with over-concentration in purchase or sale and response measures:

(A) Purchases

The Company is a professional manufacturer of simulator rides, purchasing stocks according to the project designs of various simulator rides. The Company also commissions manufacturers to undergo hardware processing. To build a supply chain system of motion-sensing simulation amusement equipment jointly with small and medium-sized enterprises in Taiwan, the main suppliers have not changed much, and the proportion of the amount of manufacturers will increase or decrease due to the different supply of materials required by the process progress.

(B) Sales

According to customer demand, the Company designs and integrates upstream software and hardware systems and technologies, selling them to downstream operators, including theme parks, museums, shopping malls, and urban experience center. With the increasing popularity and word of mouth of the Company as well as partnering with internationally well-known companies, the Company has expanded from the domestic market to China, North American regions, and Euroasian regions, effectively reducing its reliance on a single customer, thereby mitigating the risk of sales concentration. The upstream industries associated with the simulator ride equipment comprise the hardware section, including precision machinery industry and manufacturers of spherical screens and projectors, and the software section, including wireless embedded control system, spherical projector and playback control systems, and digital contents.

(10) Impact of mass transfer of equity by or change of directors, supervisors,

or shareholders holding more than 10% interests on the Company, associated risks and response measures:

During recent years up to the annual report publishing date, there were no mass transfers of equity by or change of directors, supervisors, or shareholders holding more than 10% interests on the Company.

(11) Impact of change of management rights on the Company, associated risk and response measures:

In 2022 and 2023 of the annual report publishing date, there were no negative impacts from changes in management rights.

(12) Litigation or non-litigation events

(A) Disclose the litigation facts, target amount, litigation start date, main parties involved, and current progress regarding concluded or pending litigious, non-litigious, or administrative litigation events, the potential effects of the outcomes on shareholder equity or security prices during the recent two years up to the annual report publishing date: None.

(B) The outcome of concluded or pending litigious, non-litigious, or administrative litigation events involving the director, supervisor, president, de facto responsible person, major shareholders holding more than 10% interest, or subsidiary of the Company during the recent two years up to the annual report publishing date: Taiwan Kaohsiung District Court Case of No. 109-Su-Zi-#502 is closed. It is not expected to have any material impact on the interests of the Company's shareholders or stock price.

(C) The involvement of the director, supervisor, president, and major shareholders holding more than 10% interest in events regulated in Article 157 of the Securities and Exchange Act during the recent two years up to the annual report publishing date, and the Company's current progress in handling such events: None.

(13) Other significant risks and response measures: None.

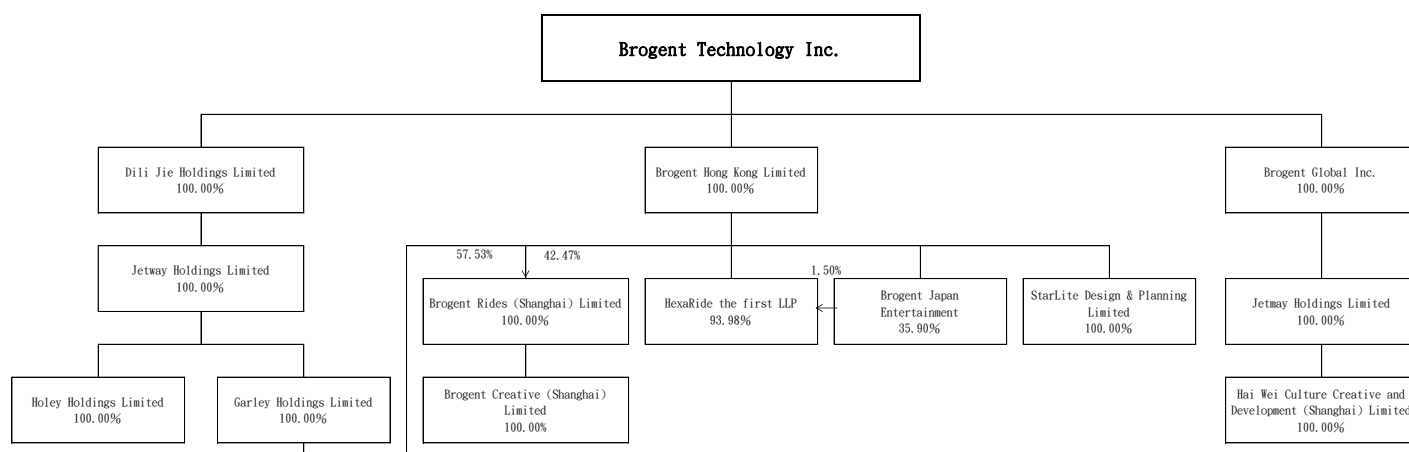
7. Other important events: None.

VIII. Important Notices

1. Profile on affiliates and subsidiaries

(1) Subsidiaries Iperation Report

A. Subsidiary Chart



B. Business Scope of each subsidiary

Investee Company	Date of Establishment	Location	Investment Amount	Business Scope
Brogent Global Inc.	2015.09	Kaohsiung, Taiwan	NTD 300,000,000	Development and management business of self-operated outlets, site planning and film production
Brogent Hong Kong Limited	2015.06	Kowloon, Hong Kong	USD 10,203,392	Investment, holding company and trading business
Brogent Rides (Shanghai) Limited	2015.07	Shanghai, China	USD 7,300,000	Import and export business
Brogent Creative (Shanghai) Limited	2015.09	Shanghai, China	RMB 13,000,000	Development and management business of self-operated outlets
Brogent Japan Entertainment Joint-Stock Corporation	2016.08	Tokyo, Japan	JPY 35,000,000	Management business development and sales of the peripheral products of simulator rides in Japan
Dili Jie Holdings Limited	2018.01	British Virgin Islands	USD 9,872,333	Investment and holding company business
Jetway Holdings Limited	2018.03	Cayman Islands.	USD 9,872,333	Investment and holding company business
Garlay Holdings Limited	2018.03	British Virgin Islands	USD 4,300,000	Investment and holding company business
hexaRide the first LLP	2018.09	Tokyo, Japan	JPY 312,000,000	Management business of self-operated outlets
Holey Holdings Limited	2018.11	British Virgin Islands	USD 5,522,333	Investment and holding company business
Jetmay Holdings Limited	2018.11	British Virgin Islands	USD 3,173,415	Investment and holding company business
Hai Wei Culture Creative and Development (Shanghai) Limited	2019.01	Shanghai, China	RMB 20,000,000	Design and management business

Investee Company	Date of Establishment	Location	Investment Amount	Business Scope
Starlite Design & Planning Limited	2018.12	Richmond,Canada	CAD1,000,000	Design and management business

C. Shareholders in Common of Brogent and Its Subsidiaries with Deemed Control and Subordination: None.

D. Business of Brogent Technologies Inc. and Its Affiliated Enterprises

(1) Brogent Global Inc.:

Development and management business of self-operated outlets, site planning and film production

(2) Brogent Hong Kong Limited:

holding company, it invests in Brogent Rides (Shanghai) Limited and Brogent Creative (Shanghai) Limited.

(3) Brogent Rides (Shanghai) Limited:

Import and export business.

(4) Brogent Creative (Shanghai) Limited:

Development and management business of self-operated outlets.

(5) Brogent Japan Entertainment Joint-Stock Corporation:

Management business development and sales of the peripheral products of simulator rides in Japan

(6) hexaRide the first LLP:

Development and management business of self-operated outlets.

(7) Hai Wei Culture Creative and Development (Shanghai) Limited:

Design and management business

(8) Starlite Design & Planning Limited:

Design and management business

E. Rosters of Directors, Supervisors, and Presidents of Brogent’s Subsidiaries

Investee	Title	Name or Representative	Shares Held	
			Shares	Percentage
Brogent Hong Kong Limited	Chairman	Brogent Technologies Inc. Representative : Pei-Chi Ho	-	100%
	Director	Brogent Technologies Inc. Representative : Chih-Hung Ouyang	-	100%
Brogent Rides (Shanghai) Limited	Chairman	Brogent Technologies Inc. Representative : Pei-Chi Ho	-	100%
	Supervisor	Brogent Technologies Inc. Representative : Pei-Kuan Lee	-	100%
Brogent Creative (Shanghai) Limited	Chairman	Brogent Technologies Inc. Representative : Pei-Chi Ho	-	100%
	Supervisor	Brogent Technologies Inc. Representative : Pei-Kuan Lee	-	100%
Brogent Global Inc.	Chairman	Brogent Technologies Inc. Representative : Chih-Hung Ouyang	36,214,332	100%
	Director	Brogent Technologies Inc. Representative : Pei-Chi Ho	36,214,332	100%
	Director	Brogent Technologies Inc. Representative : Ming-Chi Chang	36,214,332	100%
	Supervisor	Brogent Technologies Inc. Representative : Sui-Chuan Lin	36,214,332	100%
Brogent Japan Entertainment Joint-Stock Corporation	Chairman	Kodansha Company, Limited Representative : Kohei Furukawa	1,000	51.30%
	Director	Kodansha Company, Limited Representative : Mikinosuke Sugihara	1,000	51.30%
	Director	Brogent Hong Kong Limited Representative : Chih-Hung Ouyang	700	35.90%
	Director	Brogent Hong Kong Limited Representative : Stefan Rothaug	700	35.90%
	Director	DAISAKU SONODA	-	-
	Director	Kodansha Company, Limited Representative : Hiroshi Nakada	1,000	51.30%
	Director	DENTSU INC. Representative : Shinjiro Yokoyama	250	12.80%
	Supervisor	Kodansha Company, Limited Representative : Mitusyuki Shiraishi	1,000	51.30%
Supervisor	Brogent Hong Kong Limited Representative : Sui-Chuan Lin	700	35.90%	
Dili Jie Holdings Limited	Chairman	Brogent Technologies Inc. Representative : Pei-Chi Ho	-	100%

Investee	Title	Name or Representative	Shares Held	
			Shares	Percentage
Jetway Holdings Limited	Chairman	Dili Jie Holdings Limited Representative : Pei-Chi Ho	-	100%
Garlay Holdings Limited	Chairman	Jetway Holdings Limited Representative : Pei-Chi Ho	-	100%
hexaRide the first LLP	Chairman	Brogent Hong Kong Limited Representative : Stefan Rothaug	-	93.98%
	Director	Movic Co. Ltd. Representative : Gonohe Kota	-	4.52%
	Director	Brogent Japan Entertainment Joint-Stock Corporation Representative : Daisaku Sonoda	-	1.50%
Holey Holdings Limited	Chairman	Jetway Holdings Limited. Representative : Pei-Chi Ho	-	100%
Jetmay Holdings Limited	Chairman	Brogent Global Inc. Representative : Pei-Kuan Lee	-	100%
Starlite Design & Planning Limited	Chairman	Brogent Hong Kong Limited Representative : Pei-Kuan Lee	-	100%
Hai Wei Culture Creative and Development (Shanghai) Limited	Chairman	Jetmay Holdings Limited Representative : Pei-Kuan Lee	-	100%
	Supervisor	Jetmay Holdings Limited Representative : Yen-Lun Peng	-	100%

(2) Operational Highlights of Subsidiaries

Unit: NT\$1,000 As of Dec. 31, 2022

Investee	Capital	Total Asset	Total Liabilities	Net Value	Revenue	Profit	Net Income (After Tax)	EPS (NTD)
Brogent Global Inc.	362,144	759,474	467,526	291,948	39,716	(34,399)	(63,331)	(1.75)
Brogent Hong Kong Limited	313,244	399,740	156,783	242,957	31,114	19,360	(31,077)	-
BrogentRides Limited(Shanghai)	218,085	667,087	310,131	356,956	45,053	(9,634)	(4,900)	-
Brogent Creative (Shanghai) Limited	57,317	199,988	113,541	86,447	21,073	14,472	11,433	-
Brogent Japan Entertainment Joint-Stock Corporation	28,304	16,457	11,841	4,616	18,278	(848)	(956)	-
hexaRide the first LLP	77,207	9,870	5,669	4,201	7,871	(16,497)	(26,236)	-
Dili Jie Holdings Limited	303,081	410,376	-	410,376	-	-	23,003	-
Jetway Holdings Limited	303,081	410,355	-	410,355	-	(223)	22,994	-
Garlay Holdings Limited	132,010	208,149	-	208,149	-	(76)	(2,887)	-
Holey Holdings Limited	169,536	201,702	-	201,702	-	(87)	26,103	-
Jetmay Holdings Limited	97,424	155,884	-	155,884	-	-	(31,099)	-
Hai Wei Culture Creative and Development (Shanghai) Limited	88,180	710,464	554,605	155,859	608	(42,976)	(31,098)	-
Starlite Design & Planning Limited	45,360	17,726	2,656	15,070	10,545	(11,007)	(10,861)	-

(3) Consolidated Financial Statements: Please refer to Appendix 3.

(4) Consolidated Report: N/A.

2. Private placement of corporate bonds in the past years to the date of the annual report:
N/A.
3. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report:
N/A.
4. Other supplemental information
Items of Commitment: The Company has executed or signed letter of understanding regarding items of commitment to listing and trading over the counter.

IX. Items of impact of interests of shareholders or stock price

None.

Appendix

Appendix 1 : Statement of Internal Control System

Brogent Technologies Inc.

Statement of Internal Control System

Date: March 15, 2023

Based on the findings of a self-assessment, Brogent Technologies Inc. (Brogent) states the following with regard to its internal control system during the year of 2022 :

1. Brogent's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Brogent takes immediate remedial actions in response to any identified deficiencies.
3. Brogent evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. Brogent has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, Brogent believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement will be an integral part of Brogent's Annual Report for the year and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on March 15, 2023, with the seven attending directors all affirming the content of this Statement.

Brogent Technologies Inc.



Chairman : Chih-Hung Ouyang



President : Chih-Hung Ouyang



Appendix 2 : Audit Committee Audit Report

Brogent Technologies Inc.
Audit Committee Audit Report

The Business Report, Financial statements and Deficit Compensation Statement of 2022 prepared by the Board of Directors have been audited and certified by Chiu-Yen Wu and Li-Yuan Kuo of Deloitte & Touche. After reviewing such documents, this Audit Committee found no nonconformity, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2023 Annual Shareholders Meeting of Brogent Technologies Inc.

Audit Committee Convener:



March 15, 2023

Appendix 3 : Consolidated Financial Statements and Independent Auditors' Report

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the consolidated financial statements of affiliates of Brogent Technologies Inc. for the year ended December 31, 2022 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No.10, “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Brogent Technologies Inc. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Brogent Technologies Inc.

By



Ouyang, Chih Hung
Chairman

March 15, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Brogent Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Brogent Technologies Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

The recognition of project contract revenue

Project contract revenue is the main operating revenue of the Group. The Group recognizes revenue based on the stage of completion of performance obligations. Since the recognition of project contract revenue is calculated manually and involves critical accounting estimates and judgments, there may be a calculation error; therefore it was deemed to be a key audit matter.

Refer to Notes 4, 5 and 24 for accounting policy on project contract, accounting estimates and assumptions, and details of project revenue.

We performed the following audit procedures on the above key audit matter:

1. We understood and tested the design and operating effectiveness of the internal control relevant to the accuracy of recognition of the project contract revenue, including the measurement of the percentage of completion.
2. We verified and recalculated, on a sampling basis, the accuracy of the percentage of completion, including the related supporting documents.
3. We recalculated the sampled project contract revenue measured by the percentage of completion and checked whether it was recognized correctly.

Other Matter

We have audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen Wu and Li-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 721,736	15	\$ 675,485	14
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	118,819	2	287,613	6
Financial assets at fair value through other comprehensive income - current(Notes 4 and 8)	130,000	3	-	-
Financial assets at amortized cost - current (Notes 4, 9 and 32)	144,788	3	103,001	2
Accounts receivable, net (Notes 4, 5 and 10)	270,332	5	216,053	4
Contract assets - current (Notes 4, 5 and 24)	1,303,225	26	1,172,733	25
Current tax assets (Notes 4 and 26)	891	-	325	-
Inventories (Notes 4 and 11)	320,604	7	223,297	5
Prepayments	63,702	1	121,126	3
Other current assets	24,143	1	18,004	-
Total current assets	<u>3,098,240</u>	<u>63</u>	<u>2,817,637</u>	<u>59</u>
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	378,155	8	291,657	6
Financial assets at amortized cost - noncurrent (Notes 4, 9 and 32)	56,950	1	54,631	1
Investments accounted for using equity method (Notes 4 and 13)	1,755	-	1,506	-
Property, plant and equipment (Notes 4, 14 and 32)	758,358	15	976,416	20
Right-of-use assets (Notes 4 and 15)	287,013	6	308,417	7
Intangible assets (Notes 4 and 16)	196,740	4	166,000	4
Deferred tax assets (Notes 4 and 26)	90,499	2	76,444	2
Refundable deposits	19,484	-	15,034	-
Other noncurrent assets	64,179	1	68,697	1
Total noncurrent assets	<u>1,853,133</u>	<u>37</u>	<u>1,958,802</u>	<u>41</u>
TOTAL	<u>\$ 4,951,373</u>	<u>100</u>	<u>\$ 4,776,439</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 321,840	7	\$ 155,085	3
Notes payable (Note 19)	11,772	-	1,388	-
Accounts payable (Note 19)	110,649	2	87,236	2
Contract liabilities - current (Note 24)	68,223	1	65,772	1
Other payables (Note 20)	83,290	2	79,014	2
Current tax liabilities (Notes 4 and 26)	2,490	-	6,442	-
Provisions - current (Note 4)	8,620	-	5,122	-
Lease liabilities - current (Notes 4 and 15)	64,414	1	60,133	1
Current portion of long-term borrowings (Note 17)	49,334	1	103,828	2
Current portion of bonds payable (Notes 4 and 18)	219,204	5	315,027	7
Other current liabilities	3,190	-	2,316	-
Total current liabilities	<u>943,026</u>	<u>19</u>	<u>881,363</u>	<u>18</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 18)	261,577	5	319,291	6
Long-term borrowings (Note 17)	268,220	5	227,560	5
Deferred tax liabilities (Notes 4 and 26)	27,010	1	41,141	1
Lease liabilities - noncurrent (Notes 4 and 15)	257,167	5	273,676	6
Total noncurrent liabilities	<u>813,974</u>	<u>16</u>	<u>861,668</u>	<u>18</u>
Total liabilities	<u>1,757,000</u>	<u>35</u>	<u>1,743,031</u>	<u>36</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)				
Share capital				
Ordinary shares	614,431	13	573,641	12
Advance receipts for ordinary share	10,743	-	36,003	1
Total share capital	<u>625,174</u>	<u>13</u>	<u>609,644</u>	<u>13</u>
Capital surplus	<u>2,648,189</u>	<u>54</u>	<u>2,501,234</u>	<u>53</u>
Retained earnings (deficit to be compensated)				
Legal reserve	127,421	3	127,421	3
Special reserve	14,857	-	14,857	-
Accumulated deficit	(243,005)	(5)	(181,725)	(4)
Total deficit to be compensated	<u>(100,727)</u>	<u>(2)</u>	<u>(39,447)</u>	<u>(1)</u>
Other equity	21,484	-	(39,431)	(1)
Total equity attributable to owners of the Corporation	3,194,120	65	3,032,000	64
NON-CONTROLLING INTERESTS (Note 23)	253	-	1,408	-
Total equity	<u>3,194,373</u>	<u>65</u>	<u>3,033,408</u>	<u>64</u>
TOTAL	<u>\$ 4,951,373</u>	<u>100</u>	<u>\$ 4,776,439</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 5, 24 and 31)	\$ 803,766	100	\$ 787,749	100
OPERATING COSTS (Notes 10 and 25)	<u>473,249</u>	<u>59</u>	<u>411,243</u>	<u>52</u>
GROSS PROFIT	<u>330,517</u>	<u>41</u>	<u>376,506</u>	<u>48</u>
OPERATING EXPENSES (Notes 9, 24 and 25)				
Selling and marketing expenses	74,973	9	53,715	7
General and administrative expenses	293,387	37	248,857	32
Research and development expenses	189,445	24	207,749	26
Expected credit loss	<u>19,975</u>	<u>2</u>	<u>46,320</u>	<u>6</u>
Total operating expenses	<u>577,780</u>	<u>72</u>	<u>556,641</u>	<u>71</u>
OPERATING LOSS	<u>(247,263)</u>	<u>(31)</u>	<u>(180,135)</u>	<u>(23)</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	8,514	1	5,337	1
Other income	19,022	2	51,114	6
Other gains and losses	159,954	20	2,994	-
Finance costs	(23,717)	(3)	(27,063)	(3)
Share of profit or loss of associates accounted for using the equity method	<u>(468)</u>	<u>-</u>	<u>(6,029)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>163,305</u>	<u>20</u>	<u>26,353</u>	<u>3</u>
LOSS BEFORE INCOME TAX	(83,958)	(11)	(153,782)	(20)
INCOME TAX BENEFIT (Notes 4 and 26)	<u>(21,560)</u>	<u>(3)</u>	<u>(20,459)</u>	<u>(3)</u>
NET LOSS FOR THE YEAR	<u>(62,398)</u>	<u>(8)</u>	<u>(133,323)</u>	<u>(17)</u>
OTHER COMPREHENSIVE INCOME (Notes 21 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	-	-	(350)	-
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	30,000	4	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	70	-

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 30,911	4	\$ (14,229)	(2)
Share of the other comprehensive loss of associates accounted for using the equity method	<u>(33)</u>	<u>-</u>	<u>(355)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>60,878</u>	<u>8</u>	<u>(14,864)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (1,520)</u>	<u>-</u>	<u>\$ (148,187)</u>	<u>(19)</u>
NET LOSS ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (60,726)	(8)	\$ (131,956)	(17)
Non-controlling interests	<u>(1,672)</u>	<u>-</u>	<u>(1,367)</u>	<u>-</u>
	<u>\$ (62,398)</u>	<u>(8)</u>	<u>\$ (133,323)</u>	<u>(17)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 189	-	\$ (145,203)	(19)
Non-controlling interests	<u>(1,709)</u>	<u>-</u>	<u>(2,984)</u>	<u>-</u>
	<u>\$ (1,520)</u>	<u>-</u>	<u>\$ (148,187)</u>	<u>(19)</u>
LOSS PER SHARE (Note 27)				
Basic	<u>\$ (0.99)</u>		<u>\$ (2.31)</u>	
Diluted	<u>\$ (0.99)</u>		<u>\$ (2.31)</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Other Equity		Total	Non-controlling Interests	Total Equity	
	Ordinary Shares	Advance Receipts for Ordinary Share	Capital Surplus	Retained Earnings (Deficit to be Compensated)			Exchange Differences on Translation of Foreign Operations	Unrealized Gain or loss On financial Assets at FVTOCI				
				Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2021	\$ 557,474	\$ -	\$ 2,021,953	\$ 127,421	\$ 14,857	\$ (48,972)	\$ (26,464)	\$ -	\$ (26,464)	\$ 2,646,269	\$ 2,758	\$ 2,649,027
Net loss in 2021	-	-	-	-	-	(131,956)	-	-	(131,956)	(1,367)	(1,367)	(133,323)
Other comprehensive loss in 2021, net of income tax	-	-	-	-	-	(280)	(12,967)	-	(12,967)	(13,247)	(1,617)	(14,864)
Total comprehensive loss in 2021	-	-	-	-	-	(132,236)	(12,967)	-	(12,967)	(145,203)	(2,984)	(148,187)
Convertible bonds converted to ordinary shares	16,167	36,003	480,394	-	-	-	-	-	-	532,564	-	532,564
Changes in percentage of ownership interest in subsidiaries (Note 12)	-	-	(1,113)	-	-	(517)	-	-	-	(1,630)	1,630	-
Additional non-controlling interest recognized on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	4	4
BALANCE AT DECEMBER 31, 2021	573,641	36,003	2,501,234	127,421	14,857	(181,725)	(39,431)	-	(39,431)	3,032,000	1,408	3,033,408
Net loss in 2022	-	-	-	-	-	(60,726)	-	-	-	(60,726)	(1,672)	(62,398)
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	-	30,915	30,000	60,915	60,915	(37)	60,878
Total comprehensive loss in 2022	-	-	-	-	-	(60,726)	30,915	30,000	60,915	189	(1,709)	(1,520)
Convertible bonds converted to ordinary shares (Note 18)	40,790	(25,260)	146,205	-	-	-	-	-	-	161,735	-	161,735
Changes in percentage of ownership interest in subsidiaries (Note 12)	-	-	-	-	-	(554)	-	-	-	(554)	554	-
Changes in equity of associates accounted for using equity method	-	-	750	-	-	-	-	-	-	750	-	750
BALANCE AT DECEMBER 31, 2022	\$ 614,431	\$ 10,743	\$ 2,648,189	\$ 127,421	\$ 14,857	\$ (243,005)	\$ (8,516)	\$ 30,000	\$ 21,484	\$ 3,194,120	\$ 253	\$ 3,194,373

The accompanying notes are an integral part of the consolidated financial statements.

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (83,958)	\$ (153,782)
Adjustments for:		
Income and expenses		
Depreciation expense	145,045	117,349
Amortization expense	31,336	33,882
Expected credit loss	19,975	46,320
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(7,537)	(23,991)
Finance cost	23,717	27,063
Interest income	(8,514)	(5,337)
Share of profit or loss of associates accounted for using the equity method	468	6,029
Net loss (gain) on disposal of property, plant and equipment	(74,931)	2,036
Net loss on disposal of intangible assets	703	-
Net loss (gain) on foreign currency exchange	(5,941)	2,973
Loss on inventories	1,642	1,875
Others	-	(2,458)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	170,415	100,623
Notes receivable	-	21,164
Accounts receivable	(55,195)	(47,862)
Contract assets	(148,784)	(62,808)
Inventories	(98,949)	12,815
Prepayments	55,978	(2,889)
Other current assets	(6,939)	2,604
Notes payable	10,384	(10,183)
Accounts payable	23,413	(12,058)
Contract liabilities	2,451	(70,982)
Other payables	4,553	20,273
Provisions	3,498	2,742
Other current liabilities	874	720
Net defined benefit liabilities	-	(9,644)
Cash generated (used in) from operations	3,704	(3,526)
Income tax paid	(11,683)	(17,019)
Net cash used in operating activities	(7,979)	(20,545)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(100,000)	-
Purchase of financial instruments at fair value through profit or loss	(61,288)	-
Purchase of financial assets at amortized cost	(207,283)	(77,849)
Proceeds from sale of financial assets at amortized cost	169,233	169,834

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for property, plant and equipment	\$ (61,002)	\$ (99,553)
Proceeds from disposal of property, plant and equipment	263,402	1,534
Increase in refundable deposits	(4,393)	(1,770)
Acquisition of intangible assets	(14,839)	(15,010)
Increase in other noncurrent assets	(37,921)	(4,783)
Interest received	<u>8,514</u>	<u>5,337</u>
Net cash used in investing activities	<u>(45,577)</u>	<u>(22,260)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	166,755	(61,122)
Proceeds from long-term borrowings	224,867	120,588
Repayment of long-term borrowings	(240,014)	(145,705)
Repayment of the principal portion of lease liabilities	(46,293)	(40,741)
Interest paid	<u>(15,237)</u>	<u>(13,363)</u>
Net cash generated from (used in) financing activities	<u>90,078</u>	<u>(140,343)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>9,729</u>	<u>(5,708)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,251	(188,856)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>675,485</u>	<u>864,341</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 721,736</u>	<u>\$ 675,485</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Brogent Technologies Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Brogent Technologies Inc. (the “Corporation”) was incorporated in October 2001. The Corporation is mainly engaged in the research, development, design, production and sales of simulator rides and its key components and peripheral products, embedded media software, streaming media, 3D dynamic simulation technology, internet interaction media and multiple-monitor setups.

The Corporation’s shares have been trading on the Taipei Exchange since December 2012.

The consolidated financial statements of the Corporation and its subsidiaries (collectively, the “Group”) are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on March 15, 2023.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied

prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were approved, the Group assessed that the application of the above standards and interpretations would not have a material impact on the Group's financial position and financial performance.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were approved, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

The Group is engaged in the project contracts, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's project contracts-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

For details of subsidiaries about ownership and operating items refer to Note 12, Table 7 and Table 8.

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the entities in the Group (including subsidiaries and associates operating in other countries that use currencies different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

f. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus and investments accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the

investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Land is not depreciated.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant component is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) The intention to complete the intangible asset and use or sell it;
- c) The ability to use or sell the intangible asset;
- d) How the intangible asset will generate probable future economic benefits;
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

- f) The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditures incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible asset is measured on the same basis as an intangible asset that is acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units or the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL, including investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Cash equivalents include time deposits and repurchase agreement collateralized by bonds within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost and contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers that a debtor would default if internal or external information show that the debtor is unlikely to pay its creditors (without taking into account any collateral held by the Group).

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities held by the Group are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Provisions

Provisions referring to warranty are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Project contract revenue

Revenue comes from the development, construction and sale of simulator rides and related films. The Group recognizes revenue upon the completion percentage of each performance obligation. The output and degree of completion of performance obligation is measured based on working days of each performance item. Contract assets recognized during the performance obligations are satisfied and reclassified to accounts receivable at the point the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligation.

2) Licensing revenue

Revenue comes from authorizing the use of intellectual property rights of the films. The license granted provides the customer with the right to use the intellectual property that exists at the point of grant, and the revenue is recognized when the license is transferred. Advance receipts of royalty are recognized as contract liabilities. In addition, licensing revenue based on the actual sales of the customer is recognized when the sales occur.

3) Sale of tickets and merchandise

Revenue comes from sales of tickets for simulator rides and peripheral products at operated outlets. Sales of tickets are recognized at the point when services are performed; and sales of merchandise and peripheral products are recognized when merchandise and peripheral products are transferred to the customer at which point the customer takes the right of use and bears the risk of obsolescence. Advance receipts from the sale of the goods are recognized as contract liabilities.

4) Service revenue

Service revenue comes from maintenance service to simulator rides and is recognized when the service is rendered.

5) Rental revenue

Rental revenue comes from rendering simulator rides, of which accounting policy is described in Note 4 (n).

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If the future lease payments change due to the period changes, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that

decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the COVID-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other income, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered services entitling them to the contributions.

q. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus.

r. Taxation

Income tax expense (income) represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 and its economic environment implications when making its accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Estimated impairment of accounts receivable and contract assets

The provision for impairment of accounts receivable and contract assets is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, the estimate of the probability of default is subject to greater uncertainties arising from the uncertainty impact caused by the COVID-19 pandemic.

b. Measurement of the percentage of completion of project contract

Project contract revenue is recognized by the percentage of completion method. The progress of completion is measured based on the working days of completed performance items. Since the estimated working days may be modified as assessed and determined by the management based on the nature and content of work, etc. for each project contract, the measurement of the percentage of completion and revenue may be affected.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 1,291	\$ 832
Checking accounts and demand deposits	398,447	371,062
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	321,998	166,624
Repurchase agreement collateralized by bonds	<u>-</u>	<u>136,967</u>
	<u>\$ 721,736</u>	<u>\$ 675,485</u>

7. FINANCIAL INSTRUMENTS AT FVTPL

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Redemption options and put options of convertible bonds	\$ 429	\$ 1,983
Non-derivative financial assets		
Mutual funds	118,390	285,630
Unquoted shares	<u>378,155</u>	<u>291,657</u>
	<u>496,545</u>	<u>577,287</u>
	<u>\$ 496,974</u>	<u>\$ 579,270</u>

(Continued)

	<u>December 31</u>	
	2022	2021
Current	\$ 118,819	\$ 287,613
Noncurrent	<u>378,155</u>	<u>291,657</u>
	<u>\$ 496,974</u>	<u>\$ 579,270</u>

(Concluded)

The Group acquired the ordinary shares of Discover NY Project Company, LLC (DNY) for \$31,437 thousand (US\$1,050 thousand) in August 2022, increasing its shareholding to 23.22%. In addition, the Group acquired the preferred shares of DNY for \$29,851 thousand (US\$972 thousand) in December 2022. The dividends of the preferred shares are cumulative at the rate of 12%. Furthermore, the remaining earnings are distributed to preferred shareholders in proportion to their capital contribution, and are distributed to all shareholders in proportion to their shareholdings only after the preferred shareholders recover 2.5 times their original capital contribution.

The investment of DNY was classified as a financial asset at FVTPL since the Group did not participate in the financial and operating policy decisions of DNY and did not have significant influence.

8. FINANCIAL ASSETS AT FVTOCI - December 31, 2022 only

	December 31, 2022
<u>Current</u>	
Domestic investments in equity instruments	
Listed shares	<u>\$ 130,000</u>

The Group acquired the ordinary shares of Ruentex Industries Limited for \$100,000 thousand in September 2022. Accordingly, the Group elected to designate the investments in equity instruments as financial assets at FVTOCI as it was not held for trading or short-term profit.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2022	2021
Time deposits with original maturities of more than 3 months	\$ 15,912	\$ 38,177
Pledged time deposits	151,082	86,123
Pledged demand deposits	2,004	2,002
Unquoted preferred shares	<u>32,740</u>	<u>31,330</u>
	<u>\$ 201,738</u>	<u>\$ 157,632</u>
Current	\$ 144,788	\$ 103,001
Noncurrent	<u>56,950</u>	<u>54,631</u>
	<u>\$ 201,738</u>	<u>\$ 157,632</u>

- a. The counterparties of the time deposit of the Group were banks with sound credit ratings and no significant default concerns, and therefore, there was no expected credit losses.

- b. The investment in preferred shares will expire in February 2024, and cannot be converted into ordinary shares. The issuer company will redeem the shares at the actual issue price at the maturity, and the investor has no right to request early redemption of preferred shares. The dividends are cumulative at the rate of 5%. If the dividends are undistributed or are not distributed in full, it should be accumulated for deferred payment in the subsequent years where there are earnings.
- c. Refer to Note 32 for the information on financial assets at amortized cost pledged as collateral.

10. ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Accounts receivable		
At amortized cost		
Gross carrying amount	\$ 318,840	\$ 263,645
Less: Allowance for impairment loss	<u>(48,508)</u>	<u>(47,592)</u>
	<u>\$ 270,332</u>	<u>\$ 216,053</u>

The main credit period was 90 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated by reference to the past default experience of the customer and the customer's current financial position, as well as the industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the number of days past due from the invoice date.

December 31, 2022

	1-90 Days	91-180 Days	181-365 Days	Over 365 Days	With Signs of Default	Total
Gross carrying amount	\$ 126,005	\$ 17,739	\$ 39,378	\$ 40,496	\$ 95,222	\$ 318,840
Loss allowance (lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>(3,945)</u>	<u>(44,533)</u>	<u>(48,508)</u>
Amortized cost	<u>\$ 126,005</u>	<u>\$ 17,739</u>	<u>\$ 39,348</u>	<u>\$ 36,551</u>	<u>\$ 50,689</u>	<u>\$ 270,332</u>

December 31, 2021

	1-90 Days	91-180 Days	181-365 Days	Over 365 Days	With Signs of Default	Total
Gross carrying amount	\$ 54,913	\$ 30,808	\$ 64,955	\$ 21,049	\$ 91,920	\$ 263,645
Loss allowance (lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(3,322)</u>	<u>(2,290)</u>	<u>(41,980)</u>	<u>(47,592)</u>
Amortized cost	<u>\$ 54,913</u>	<u>\$ 30,808</u>	<u>\$ 61,633</u>	<u>\$ 18,759</u>	<u>\$ 49,940</u>	<u>\$ 216,053</u>

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 47,592	\$ 10,864
Impairment loss recognized	<u>916</u>	<u>36,728</u>
Balance at December 31	<u>\$ 48,508</u>	<u>\$ 47,592</u>

11. INVENTORIES

	December 31	
	2022	2021
Raw materials	\$ 197,517	\$ 155,154
Work in process	38,294	18,188
Finished goods	81,035	44,285
Merchandise	<u>3,758</u>	<u>5,670</u>
	<u>\$ 320,604</u>	<u>\$ 223,297</u>

Allowance loss for inventory recognized as the deduction of inventory cost were \$4,081 thousand and \$2,439 thousand as of December 31, 2022 and 2021, respectively.

The operating costs recognized as loss on inventory value for the years ended December 31, 2022 and 2021 were \$1,642 thousand and \$1,875 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2022	2021	
The Corporation	Brogent Hong Kong Limited (Brogent Hong Kong)	Reinvestment and trading business	100	100	-
	Brogent Global Inc. (Brogent Global)	Development and management business of self-operated outlets, site planning and film production	100	100	-
	Dili Jie Holdings Limited (Dili Jie)	Reinvestment and trading business	100	100	-
Dili Jie	Jetway Holdings Limited (Jetway)	Reinvestment and trading business	100	100	-
Jetway	Garley Holdings Limited (Garley)	Reinvestment and trading business	100	100	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2022	2021	
	Holey Holdings Limited	Reinvestment and trading business	100	100	-
Garley	Brogent Rides (Shanghai) Limited (Brogent Rides)	Import and export business	58	58	-
Brogent Hong Kong	Brogent Rides	Import and export business	42	42	-
	hexaRide the first LLP	Development and management business of self-operated outlets	94	93	Note 1
	Ou Wei Limited	Content production licensing business	-	100	Note 2
	StarLite Design & Planning Limited (StarLite)	Design and management business	100	100	-
Brogent Rides	Brogent Creative (Shanghai) Limited (Brogent Creative)	Development and management business of self-operated outlets	100	100	-
Brogent Global	Jetmay Holdings Limited (Jetmay)	Reinvestment and trading business	100	100	-
Jetmay	Hai Wei Culture Creative and Development (Shanghai) Limited (Hai Wei Culture Creative)	Whole planning business	100	100	-

(Concluded)

Note 1: The equity transactions with non-controlling interests were as follows:

Brogent Hong Kong did not subscribe for the cash capital increase of hexaRide in proportion in 2021, resulting in an increase in its shareholding from 89% to 93%. The difference between the investment cost and the net assets acquired was recognized as deduction of capital surplus for \$1,113 thousand and deduction of retained earnings for \$517 thousand.

Brogent Hong Kong did not subscribe for the cash capital increase of hexaRide in proportion in 2022, resulting in an increase in its shareholding from 93% to 94%. The difference between the investment cost and the net assets acquired was recognized as deduction of retained earnings for \$554 thousand.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.

Note 2: Ou Wei Limited had been liquidated in September 2022.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in associates - not individually material	\$ 1,755	\$ 1,506
Aggregate information of associates that are not individually material:		
	For the Year Ended December 31	
	2022	2021
The Group's share of:		
Net loss	\$ (468)	\$ (6,029)
Other comprehensive loss	(33)	(355)
Total comprehensive loss for the year	\$ (501)	\$ (6,384)

14. PROPERTY, PLANT AND EQUIPMENT

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Assets used by the Group	\$ 751,320	\$ 975,157
Assets leased under operation	<u>7,038</u>	<u>1,259</u>
	<u>\$ 758,358</u>	<u>\$ 976,416</u>

For the year ended December 31, 2022

	<u>Assets Used by the Group</u>					<u>Assets Leased under Operation</u>
	<u>Land</u>	<u>Buildings</u>	<u>Other Equipment</u>	<u>Equipment to be Inspected and Property under Construction</u>	<u>Total</u>	<u>Other Equipment</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 139,868	\$ 691,513	\$ 327,856	\$ 140,644	\$ 1,299,881	\$ 1,302
Additions	-	8,264	144,309	(92,131)	60,442	160
Disposals	(139,868)	(55,883)	(6,688)	-	(202,439)	-
Reclassification	-	-	(9,839)	-	(9,839)	9,839
Effect of foreign currency exchange differences	-	(1,265)	139	-	(1,126)	-
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 642,629</u>	<u>\$ 455,777</u>	<u>\$ 48,513</u>	<u>\$ 1,146,919</u>	<u>\$ 11,301</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ -	\$ 183,433	\$ 141,291	\$ -	\$ 324,724	\$ 43
Depreciation expense	-	29,826	68,510	-	98,336	448
Disposals	-	(16,930)	(6,387)	-	(23,317)	-
Reclassification	-	-	(3,772)	-	(3,772)	3,772
Effect of foreign currency exchange differences	-	(490)	118	-	(372)	-
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 195,839</u>	<u>\$ 199,760</u>	<u>\$ -</u>	<u>\$ 395,599</u>	<u>\$ 4,263</u>
Carrying amount at December 31, 2022	<u>\$ -</u>	<u>\$ 446,790</u>	<u>\$ 256,017</u>	<u>\$ 48,513</u>	<u>\$ 751,320</u>	<u>\$ 7,038</u>

For the year ended December 31, 2021

	<u>Assets Used by the Group</u>					<u>Assets Leased under Operation</u>
	<u>Land</u>	<u>Buildings</u>	<u>Other Equipment</u>	<u>Equipment to be Inspected and Property under Construction</u>	<u>Total</u>	<u>Other Equipment</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 139,868	\$ 692,301	\$ 300,810	\$ 89,858	\$ 1,222,837	\$ -
Additions	-	2,044	43,573	50,786	96,403	1,302
Disposals	-	(211)	(16,279)	-	(16,490)	-
Effect of foreign currency exchange differences	-	(2,621)	(248)	-	(2,869)	-
Balance at December 31, 2021	<u>\$ 139,868</u>	<u>\$ 691,513</u>	<u>\$ 327,856</u>	<u>\$ 140,644</u>	<u>\$ 1,299,881</u>	<u>\$ 1,302</u>

(Continued)

	Assets Used by the Group					Assets Leased under Operation
	Land	Buildings	Other Equipment	Equipment to be Inspected and Property under Construction	Total	Other Equipment
<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ -	\$ 153,062	\$ 112,300	\$ -	\$ 265,362	\$ -
Depreciation expense	-	31,141	41,990	-	73,131	43
Disposals	-	(51)	(12,869)	-	(12,920)	-
Effect of foreign currency exchange differences	-	(719)	(130)	-	(849)	-
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 183,433</u>	<u>\$ 141,291</u>	<u>\$ -</u>	<u>\$ 324,724</u>	<u>\$ 43</u>
Carrying amount at December 31, 2021	<u>\$ 139,868</u>	<u>\$ 508,080</u>	<u>\$ 186,565</u>	<u>\$ 140,644</u>	<u>\$ 975,157</u>	<u>\$ 1,259</u>

(Concluded)

- a. Depreciation expenses were recognized on a straight-line basis over the following useful lives:

	Assets Used by the Group	Assets Leased under Operation
Buildings		
Main buildings	50 years	-
Others	2-20 years	-
Other equipment	2-15 years	5-10 years

- b. To revitalize assets and effectively utilize capital, the Corporation sold the land and buildings located in JhongShan, Sinwu Dist. Taoyuan City to a non-related party for \$268,000 thousand (tax included) in August 2022, and immediately leased them back for short-term operation. The lease terms are 3 years and 6 months and expire in February 2026 with no renewal or bargain purchase options. As a result of the above transaction, the Group recognized gains on disposal of property of \$83,606 thousand and recognized right-of-use assets of \$16,647 thousand and lease liabilities of \$25,996 thousand.
- c. The farmland located in JhongShan, Sinwu Dist. Taoyuan City is registered in the name of the Chairman, the related person of the Group, due to legal restrictions. The Group had obtained an agreement with the Chairman that the Group can register the farmland under the Group or other individual specified by the Group without payment at any time. The farmland was sold and transferred in August 2022.
- d. The Group rents the simulator rides under operating lease. All operating leases include the rights to adjust the rental according to the market rate when the lessee extends the lease terms, and the lessee does not have bargain purchase options to acquire the asset at the end of the lease terms.
- e. Refer to Note 32 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.
- f. The reconciliation of the additions and the payments stated in the statements of cash flows was as follows:

	For the Year Ended December 31	
	2022	2021
Additions to property, plant and equipment	\$ 60,602	\$ 97,705
Decrease in payables for equipment	<u>400</u>	<u>1,848</u>
Cash paid	<u>\$ 61,002</u>	<u>\$ 99,553</u>

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amount		
Land	\$ 98,122	\$ 108,729
Buildings	172,702	184,616
Transportation equipment	<u>16,189</u>	<u>15,072</u>
	<u>\$ 287,013</u>	<u>\$ 308,417</u>

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	<u>\$ 24,940</u>	<u>\$ 13,136</u>
Depreciation of right-of-use assets		
Land	\$ 10,607	\$ 10,608
Buildings	28,478	27,375
Transportation equipment	<u>7,176</u>	<u>6,192</u>
	<u>\$ 46,261</u>	<u>\$ 44,175</u>

b. Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	\$ 64,414	\$ 60,133
Noncurrent	<u>\$ 257,167</u>	<u>\$ 273,676</u>
Range of discount rates (%) for lease liabilities		
Land	1.71	1.71
Buildings	1.71-1.85	1.71-1.80
Transportation equipment	1.71-1.80	1.71-1.80

c. Material lease activities and terms

The Group leases land and buildings for the use as business space and for self-operated outlets with lease terms which will expire in March 2032 at the latest. The lease contract for land specifies that lease payments will be adjusted on the basis of changes in announced land value and price. Lease contracts for self-operating outlets contain variable payments which are determined at a specific percentage of

sales generated from the self-operating outlets. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

Because of the market conditions severely affected by COVID-19, the Group negotiated with the lessor for rent concessions for land lease. The lessor agreed to provide unconditional 20% rent reduction for a few months. The Group recognized the impact of rent concessions of \$1,194 thousand as other income for the years ended December 31, 2021.

d. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 2,404</u>	<u>\$ 2,571</u>
Expenses relating to low-value asset leases	<u>\$ 367</u>	<u>\$ 367</u>
Total cash outflow for leases	<u>\$ 54,001</u>	<u>\$ 49,657</u>

The Group has elected to apply the recognition exemption for leases of certain subject qualifying as short-term leases and low-value asset leases, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INTANGIBLE ASSETS

For the year ended December 31, 2022

	Film	Other	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 201,548	\$ 49,449	\$ 250,997
Additions	7,844	9,935	17,779
Transferred from other non-current assets	40,945	-	40,945
Write-off and disposals	(16,189)	(6,767)	(22,956)
Effect of foreign currency exchange differences	<u>4,039</u>	<u>(42)</u>	<u>3,997</u>
Balance at December 31, 2022	<u>\$ 238,187</u>	<u>\$ 52,575</u>	<u>\$ 290,762</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 59,399	\$ 25,598	\$ 84,997
Amortization expense	24,079	7,257	31,336
Write-off and disposals	(16,169)	(6,084)	(22,253)
Effect of foreign currency exchange differences	<u>(80)</u>	<u>22</u>	<u>(58)</u>
Balance at December 31, 2022	<u>\$ 67,229</u>	<u>\$ 26,793</u>	<u>\$ 94,022</u>
Carrying amount at December 31, 2022	<u>\$ 170,958</u>	<u>\$ 25,782</u>	<u>\$ 196,740</u>

For the year ended December 31, 2021

	Film	Other	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 199,099	\$ 52,677	\$ 251,776
Additions	5,889	7,673	13,562
Additions from internal development	2,027	2,125	4,152
Write-off and disposals	(3,308)	(12,750)	(16,058)
Effect of foreign currency exchange differences	<u>(2,159)</u>	<u>(276)</u>	<u>(2,435)</u>
Balance at December 31, 2021	<u>\$ 201,548</u>	<u>\$ 49,449</u>	<u>\$ 250,997</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2021	\$ 39,593	\$ 28,489	\$ 68,082
Amortization expense	24,191	9,691	33,882
Write-off and disposals	(3,308)	(12,481)	(15,789)
Effect of foreign currency exchange differences	<u>(1,077)</u>	<u>(101)</u>	<u>(1,178)</u>
Balance at December 31, 2021	<u>\$ 59,399</u>	<u>\$ 25,598</u>	<u>\$ 84,997</u>
Carrying amount at December 31, 2021	<u>\$ 142,149</u>	<u>\$ 23,851</u>	<u>\$ 166,000</u>

The above intangible assets are amortized on a straight-line basis over the following useful lives:

Film	3-10 years
Others	1-25 years

17. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2022	2021
Secured bank loans (Note 32)	\$ 21,840	\$ 21,840
Unsecured bank loans	<u>300,000</u>	<u>133,245</u>
	<u>\$ 321,840</u>	<u>\$ 155,085</u>
Interest rate (%)	1.50-2.33	0.68-2.20

b. Long-term borrowings

	<u>December 31</u>	
	2022	2021
<u>Secured borrowings (Note 32)</u>		
Bank loans - repayable before October 2031	\$ 296,187	\$ 206,442

(Continued)

	December 31	
	2022	2021
<u>Unsecured borrowings</u>		
Bank loans - repayable before February 2026	\$ 20,460	\$ 90,877
Loans from the government - repayable before December 2023 (1)	907	865
Others (2)	<u>-</u>	<u>33,204</u>
	317,554	331,388
Current portion	<u>(49,334)</u>	<u>(103,828)</u>
Long-term borrowings	<u>\$ 268,220</u>	<u>\$ 227,560</u>
Interest rate (%)		
Bank loans	1.85-2.57	1.00-1.85
Others	-	4.76
		(Concluded)

- 1) The subsidiary StarLite obtained an interest-free loan from the local government.
- 2) Borrowing from Chailease Finance Co., Ltd at variable interest rate and has been repaid in advance in June 2022.

18. BONDS PAYABLE

	December 31	
	2022	2021
3rd domestic unsecured convertible bonds	\$ 219,204	\$ 319,291
4th domestic unsecured convertible bonds	<u>261,577</u>	<u>315,027</u>
	480,781	634,318
Current portion	<u>(219,204)</u>	<u>(315,027)</u>
	<u>\$ 261,577</u>	<u>\$ 319,291</u>

- a. In October 2020, the Corporation issued its 3rd domestic five-year unsecured zero-coupon convertible bonds with an aggregate principal amount of \$711,490 thousand (101.64% of the face value) and a par value of \$100 thousand per bond certificate.

The conversion price was set at \$105 per share. Bondholders are entitled to convert bonds into the Corporation's common stock from January 13, 2021 to October 12, 2025.

If the closing price of the Corporation's common stock continues being at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Corporation has the right to redeem the outstanding bonds payable at par value in cash during the period from three months after the issuance date to the date 40 days prior to the maturity date.

Under the terms of the convertible bonds, the bondholders have the right to require the Corporation to redeem any bonds in cash at face value of the convertible bonds plus interest compensation (1.2547%) after two and a half years from the issuance.

The amount of the face value of the convertible bonds plus interest compensation (2.5251%) has to be fully paid off in cash at maturity by the Corporation.

As of December 31, 2022, the total amount of the bonds converted by the bondholders was \$478,200 thousand.

- b. In October 2020, the Corporation issued its 4th domestic four-year unsecured zero-coupon convertible bonds with an aggregate principal amount of \$500,000 thousand and a par value of \$100 thousand per bond certificate.

The conversion price was set at \$106.5 per share. Bondholders are entitled to convert bonds into the Corporation's common stock from January 16, 2021 to October 15, 2024.

If the closing price of the Corporation's common stock continues being at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Corporation has the right to redeem the outstanding bonds payable at par value in cash during the period from three months after the issuance date to the date 40 days prior to the maturity date.

Under the terms of the convertible bonds, the bondholders have the right to require the Corporation to redeem any bonds in cash at face value of the convertible bonds plus interest compensation (0.7514%) after two years from the issuance.

The amount of the face value of the convertible bonds plus interest compensation (1.5085%) has to be fully paid off in cash at maturity by the Corporation.

As of December 31, 2022, the total amount of bonds converted by the bondholders was \$236,000 thousand.

- c. The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options; the effective interest rate of the equity and liability component was 0.8% and 1% per annum, respectively, on initial recognition.

	For the Year Ended December 31	
	2022	2021
Liability component at January 1	\$ 634,318	\$ 1,155,660
Interest charged at an effective interest rate	8,357	13,844
Converted into ordinary shares	<u>(161,894)</u>	<u>(535,186)</u>
Liability component at December 31	<u>\$ 480,781</u>	<u>\$ 634,318</u>

19. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Group's notes payable and accounts payable were generated from operating activities. The average credit period of purchases of goods is around 45 to 120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms and, therefore, there was no interest charged on the outstanding balance.

20. OTHER PAYABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Payables for salaries	\$ 36,303	\$ 36,735
Payables for travel expense	3,063	8,570
Payables for service fee	3,168	4,137
Payables for insurance	3,757	3,683
Payables for equipment	1,411	1,811
Payables for pension	1,049	992
Others	<u>34,539</u>	<u>23,086</u>
	<u>\$ 83,290</u>	<u>\$ 79,014</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and the domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Foreign subsidiaries make contributions in accordance with the local regulations, which are also considered defined contribution plans.

b. Defined benefit plan

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government of the ROC.

The Corporation was approved by the authority to settle the pension liabilities and the pension fund in accordance with the Labor Standards Act in July 2021, and the settlement benefits are recognized of \$8,497 thousand.

22. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/noncurrent classification of the Group's assets and liabilities relating to the project contract was based on its operating cycle. The amount for related assets and liabilities expected to be recovered or settled more than 12 months after the reporting period were as follows:

	Within 12 Months	More Than 12 Months	Total
<u>December 31, 2022</u>			
Assets			
Financial assets at amortized cost - current	\$ 72,137	\$ 72,651	\$ 144,788
Contract assets - current	<u>800,243</u>	<u>502,982</u>	<u>1,303,225</u>
	<u>\$ 872,380</u>	<u>\$ 575,633</u>	<u>\$ 1,448,013</u>

(Continued)

	Within 1 Year	More Than 1 Year	Total
Liabilities			
Contract liabilities - current	\$ <u>37,320</u>	\$ <u>30,903</u>	\$ <u>68,223</u>
<hr/> December 31, 2021 <hr/>			
Assets			
Contract assets - current	\$ <u>884,414</u>	\$ <u>288,319</u>	\$ <u>1,172,733</u>
Liabilities			
Contract liabilities - current	\$ <u>32,842</u>	\$ <u>32,930</u>	\$ <u>65,772</u> (Concluded)

23. EQUITY

a. Ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	<u>90,000</u>	<u>90,000</u>
Shares authorized	<u>\$ 900,000</u>	<u>\$ 900,000</u>
Number of shares issued and fully paid (in thousands)	<u>61,443</u>	<u>57,364</u>
Shares issued	<u>\$ 614,431</u>	<u>\$ 573,641</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and the right to dividends.

The change in the Corporation's ordinary shares is due to the conversion of the 3rd and 4th domestic unsecured convertible bonds. As of December 31, 2022, there were 1,074 thousand shares have not yet been registered and were recognized as advance receipts for ordinary share of \$10,743 thousand.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset deficit, distributed as cash dividends or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 1,719,817	\$ 1,719,817
Conversion of bonds	907,080	753,327
May only be used to offset deficit		
Share of changes in capital surplus of associates	750	-
May not be used for any purpose		
Equity component of convertible bonds payable	<u>20,542</u>	<u>28,090</u>
	<u>\$ 2,648,189</u>	<u>\$ 2,501,234</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Corporation's Articles of Incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years. Where there is still balance, the Corporation shall set aside as a legal reserve 10% of the sum of said profit in balance and the amount of profit (of loss) items adjusted to the current year's undistributed earnings other than the said profit until the legal reserve equals the Corporation's paid-in capital. The accumulated distributable earnings be set aside or reversed as a special reserve in accordance with the laws or regulations, and may be retained at the discretion of the Corporation in accordance with its business needs, in addition to the payment of dividends, the remaining balance, if any, shall be distributed as dividends to shareholders by resolution of the shareholders' meeting. In accordance with the Articles as amended in May 2022, the board of directors is authorized to resolve that all or part of the dividends and bonuses, capital surplus or legal reserve be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds or more of the total number of directors, and a report of such distribution shall be submitted to the shareholders in their meeting.

The dividends policy of the Corporation considers the plans for the expansion of the scale of operations and research and development plans, and the overall environment and the features of the industry in order to pursue sustainable operations and long-term benefits for shareholders. The dividends to shareholders can be paid in cash or issued as shares, but cash dividends shall be not less than 10% of the total dividends.

Legal reserve may be used to offset a deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The offsets of deficit for 2021 and 2020 had been approved in the shareholders' meeting at May 27, 2022 and August 31, 2021, respectively.

On March 15, 2023, the Corporation's board of directors proposed to reverse the special reserve of \$14,857 thousand and offset the deficit by the legal reserve of \$127,421 thousand and capital surplus of \$100,727 thousand. Moreover, it resolved to distribute \$93,776 thousand in cash from capital surplus at \$1.5 per share at the same time. The aforementioned proposals will be resolved or reported in the shareholders' meeting to be held in May 2023.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (39,431)	\$ (26,464)
Recognized for the year		
Exchange differences on translation of financial statements of foreign operations	30,948	(12,612)
Share from associates accounted for using the equity method	<u>(33)</u>	<u>(355)</u>
Balance at December 31	<u>\$ (8,516)</u>	<u>\$ (39,431)</u>

2) Unrealized gain on financial asset at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ -	\$ -
Recognized for the year		
Unrealized gains - equity instruments	<u>30,000</u>	<u>-</u>
Balance at December 31	<u>\$ 30,000</u>	<u>\$ -</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 1,408	\$ 2,758
Share in loss for the period	(1,672)	(1,367)
Other comprehensive income (loss) for the year		
Exchange differences on translation of financial statements of foreign operations	(37)	(1,617)
Changes in percentage of ownership interest in subsidiaries	554	1,630
Additional non-controlling interest recognized on issue of employee share options by subsidiaries	<u>-</u>	<u>4</u>
Balance at December 31	<u>\$ 253</u>	<u>\$ 1,408</u>

24. REVENUE

	For the Year Ended December 31	
	2022	2021
Project contract revenue	\$ 655,326	\$ 729,153
Licensing revenue	39,916	6,154
Sales of tickets and merchandise	42,763	35,425
Service revenue	51,198	15,269
Rental revenue	<u>14,563</u>	<u>1,748</u>
	<u>\$ 803,766</u>	<u>\$ 787,749</u>

Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable and accounts receivable	<u>\$ 270,332</u>	<u>\$ 216,053</u>	<u>\$ 226,083</u>
Contract assets			
Project contract	\$ 1,321,371	\$ 1,153,510	\$ 1,106,733
Reserves of project contract	81,511	100,588	84,557
Less: Allowance for impairment loss	<u>(99,657)</u>	<u>(81,365)</u>	<u>(71,862)</u>
	<u>\$ 1,303,225</u>	<u>\$ 1,172,733</u>	<u>\$ 1,119,428</u>

(Continued)

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities			
Project contract	\$ 34,158	\$ 42,956	\$ 120,016
Others	<u>34,065</u>	<u>22,816</u>	<u>16,738</u>
	<u>\$ 68,223</u>	<u>\$ 65,772</u>	<u>\$ 136,754</u>

(Concluded)

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

The movements of the loss allowance of contract assets were as follows:

	<u>For the Year Ended December 31</u>	
	2022	2021
Balance at January 1	\$ 81,365	\$ 71,862
Loss allowance recognized	18,259	9,503
Effect of exchange rate	<u>33</u>	<u>-</u>
Balance at December 31	<u>\$ 99,657</u>	<u>\$ 81,365</u>

25. LOSS BEFORE INCOME TAX

a. Interest income

	<u>For the Year Ended December 31</u>	
	2022	2021
Bank deposits	\$ 8,227	\$ 4,656
Others	<u>287</u>	<u>681</u>
	<u>\$ 8,514</u>	<u>\$ 5,337</u>

b. Other income

	<u>For the Year Ended December 31</u>	
	2022	2021
Government grants (Note)	\$ 16,043	\$ 42,358
Others	<u>2,979</u>	<u>8,756</u>
	<u>\$ 19,022</u>	<u>\$ 51,114</u>

Note: The Group applied for and received government grant of \$78 thousand and \$18,452 thousand in 2022 and 2021 as relief packages of businesses affected by the pneumonia; other government grants are mainly research and development grants.

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net gain on financial assets at FVTPL	\$ 7,537	\$ 23,991
Net foreign exchange gain (loss)	78,527	(20,229)
Net gain (loss) on disposal of property, plant and equipment (Note14)	74,931	(2,036)
Net loss on disposal of intangible assets	(703)	-
Others	<u>(338)</u>	<u>1,268</u>
	<u>\$ 159,954</u>	<u>\$ 2,994</u>

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loan	\$ 10,423	\$ 7,241
Interest on lease liabilities	4,937	5,978
Interest on convertible bonds	<u>8,357</u>	<u>13,844</u>
	<u>\$ 23,717</u>	<u>\$ 27,063</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	\$ 98,784	\$ 73,174
Right-of-use assets	46,261	44,175
Intangible assets	<u>31,336</u>	<u>33,882</u>
	<u>\$ 176,381</u>	<u>\$ 151,231</u>
 An analysis of depreciation by function		
Operating costs	\$ 50,038	\$ 49,986
Operating expenses	<u>95,007</u>	<u>67,363</u>
	<u>\$ 145,045</u>	<u>\$ 117,349</u>
 An analysis of amortization by function		
Operating costs	\$ 18,638	\$ 23,058
Operating expenses	<u>12,698</u>	<u>10,824</u>
	<u>\$ 31,336</u>	<u>\$ 33,882</u>

f. Employee benefits

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 284,347	\$ 283,077

(Continued)

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	\$ 11,497	\$ 11,006
Defined benefit plans (Note 21)	<u>-</u>	<u>(8,497)</u>
	<u>11,497</u>	<u>2,509</u>
Share-based payments (Note 28)	<u>-</u>	<u>4</u>
	<u>\$ 295,844</u>	<u>\$ 285,590</u>
An analysis by function		
Operating costs	\$ 68,974	\$ 63,756
Operating expenses	<u>226,870</u>	<u>221,834</u>
	<u>\$ 295,844</u>	<u>\$ 285,590</u>

(Concluded)

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrues compensation of employees and remuneration of directors at rates of 5% to 15% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors, but if the Corporation still has accumulated deficit, it should first set aside an amount for offset of the deficit. The board of directors resolved not to accrue compensation of employees and remuneration of directors for 2020 to 2022 due to net loss before income tax.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAX

a. The major components of income tax benefit were as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	\$ 6,867	\$ 17,859
Adjustments for prior years	27	(621)
Land value incremental tax	<u>271</u>	<u>-</u>
	<u>7,165</u>	<u>17,238</u>
Deferred tax		
In respect of the current year	<u>(28,725)</u>	<u>(37,697)</u>
	<u>\$ (21,560)</u>	<u>\$ (20,459)</u>

A reconciliation of accounting loss and income tax benefit was as follows:

	For the Year Ended December 31	
	2022	2021
Loss before income tax	<u>\$ (83,958)</u>	<u>\$ (153,782)</u>
Income tax benefit calculated at the statutory rate	\$ (15,958)	\$ (17,239)
Tax-exempt proceeds from land transactions	(15,704)	-
Permanent differences	(930)	(819)
Unrecognized temporary differences	701	(5,437)
Unrecognized loss carryforwards	8,048	3,657
Adjustments for prior years' tax	27	(621)
Land value incremental tax	271	-
Withholding tax	<u>1,985</u>	<u>-</u>
	<u>\$ (21,560)</u>	<u>\$ (20,459)</u>

The corporate income tax rate in Taiwan is 20%. The applicable tax rate used by subsidiaries in China is 25% and tax rates used by other entities in the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax expense (benefit)		
In respect of the current period		
Remeasurement of defined benefit plans	<u>\$ -</u>	<u>\$ (70)</u>

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	<u>\$ 891</u>	<u>\$ 325</u>
Current tax liabilities		
Income tax payable	<u>\$ 2,490</u>	<u>\$ 6,442</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2022

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance, End of Year
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 22,920	\$ 2,104	\$ -	\$ -	\$ 25,024
Difference on depreciation expense	1,178	(29)	-	-	1,149
Unrealized loss on foreign currency exchange	8,572	(8,315)	-	-	257
Others	<u>4,889</u>	<u>(437)</u>	<u>-</u>	<u>-</u>	<u>4,452</u>
	37,559	(6,677)	-	-	30,882
Loss carryforwards	<u>38,885</u>	<u>20,726</u>	<u>-</u>	<u>6</u>	<u>59,617</u>
	<u>\$ 76,444</u>	<u>\$ 14,049</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 90,499</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unrealized gross margin	\$ 28,571	\$ (12,003)	\$ -	\$ 363	\$ 16,931
Others	<u>12,570</u>	<u>(2,673)</u>	<u>-</u>	<u>182</u>	<u>10,079</u>
	<u>\$ 41,141</u>	<u>\$ (14,676)</u>	<u>\$ -</u>	<u>\$ 545</u>	<u>\$ 27,010</u>

For the year ended December 31, 2021

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance, End of Year
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit obligations	\$ 1,858	\$ (1,928)	\$ 70	\$ -	\$ -
Allowance for impairment loss	13,986	8,934	-	-	22,920
Difference on depreciation expense	1,207	(29)	-	-	1,178
Unrealized loss on foreign currency exchange	4,852	3,720	-	-	8,572
Others	<u>4,205</u>	<u>684</u>	<u>-</u>	<u>-</u>	<u>4,889</u>
	26,108	11,381	70	-	37,559
Loss carryforwards	<u>13,372</u>	<u>25,539</u>	<u>-</u>	<u>(26)</u>	<u>38,885</u>
	<u>\$ 39,480</u>	<u>\$ 36,920</u>	<u>\$ 70</u>	<u>\$ (26)</u>	<u>\$ 76,444</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unrealized gross margin	\$ 41,355	\$ (12,321)	\$ -	\$ (463)	\$ 28,571
Others	<u>896</u>	<u>11,544</u>	<u>-</u>	<u>130</u>	<u>12,570</u>
	<u>\$ 42,251</u>	<u>\$ (777)</u>	<u>\$ -</u>	<u>\$ (333)</u>	<u>\$ 41,141</u>

- e. The deferred tax assets have not been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Loss carryforwards		
Expiry in 2030	\$ 904	\$ 905
Expiry in 2031	18,286	18,286
Expiry in 2032	<u>40,238</u>	<u>-</u>
	<u>\$ 59,428</u>	<u>\$ 19,191</u>

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
\$ 378	2024
1,028	2025
19,047	2029
38,846	2030
156,252	2031
<u>141,608</u>	2032
<u>\$ 357,159</u>	

g. Taxable temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2022 and 2021, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$116,493 thousand and \$158,253 thousand, respectively.

h. Income tax assessments

The income tax returns of the Corporation and the domestic subsidiaries through 2020 have been assessed by the tax authorities.

27. LOSS PER SHARE

Due to the net loss incurred for the years ended December 31, 2022 and 2021, there was no dilutive effect on the computation of diluted loss per share. The loss and weighted average number of ordinary shares outstanding used in the computation of loss per share were as follows:

a. Net loss for the year

	<u>For the Year Ended December 31</u>	
	2022	2021
Net loss attributable to owners of the Corporation	<u>\$ (60,726)</u>	<u>\$ (131,956)</u>

b. Weighted average number of shares outstanding (in thousands)

	<u>For the Year Ended December 31</u>	
	2022	2021
Weighted average number of shares	<u>\$ 61,133</u>	<u>\$ 57,113</u>

28. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of Brogent Global were granted 500 units of share options in February 2017. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of Brogent Global. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Information about Brogent Global's employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options	Weighted- average Exercise Price (\$)	Number of Options	Weighted- average Exercise Price (\$)
Balance at January 1	31	\$ 10	223	\$ 10
Options forfeited	<u>(3)</u>	10	<u>(192)</u>	10
Balance at December 31	<u>28</u>	10	<u>31</u>	10
Options exercisable, end of the year	<u>28</u>	10	<u>31</u>	10

Compensation costs recognized by the Group were \$4 thousand for the year ended December 31, 2021.

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group.

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management considers that the carrying amounts of financial instruments that are not measured at fair value approximate their fair values, except for convertible bonds.

The carrying amounts and fair values of the convertible bonds as of December 31, 2022 and 2021 were as follows:

	December 31	
	2022	2021
Book value	<u>\$ 480,781</u>	<u>\$ 634,318</u>
Fair value	<u>\$ 470,825</u>	<u>\$ 627,007</u>

The fair value of bonds payable based on Level 3 fair value measurement was determined using the binomial option pricing model where the significant and unobservable input was historical volatility.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 118,390	\$ -	\$ -	\$ 118,390
Unquoted shares	-	-	378,155	378,155
Derivative financial assets	-	-	429	429
	<u>\$ 118,390</u>	<u>\$ -</u>	<u>\$ 378,584</u>	<u>\$ 496,974</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	<u>\$ 130,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,000</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 285,630	\$ -	\$ -	\$ 285,630
Unquoted shares	-	-	291,657	291,657
Derivative financial assets	-	-	1,983	1,983
	<u>\$ 285,630</u>	<u>\$ -</u>	<u>\$ 293,640</u>	<u>\$ 579,270</u>

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial assets at FVTPL

For the Year Ended December 31, 2022

	Derivatives	Equity Instruments	Total
Balance at January 1	\$ 1,983	\$ 291,657	\$ 293,640
Additions	-	61,288	61,288
Convertible bonds converted into ordinary share	(159)	-	(159)
Recognized in profit or loss	(1,395)	7,929	6,534
Effect of foreign currency exchange differences	-	17,281	17,281
Balance at December 31	<u>\$ 429</u>	<u>\$ 378,155</u>	<u>\$ 378,584</u>

For the Year Ended December 31, 2021

	Derivatives	Equity Instruments	Total
Balance at January 1	\$ 1,860	\$ 281,474	\$ 283,334
Convertible bonds converted into ordinary share	(2,622)	-	(2,622)
Recognized in profit or loss	<u>2,745</u>	<u>10,183</u>	<u>12,928</u>
Balance at December 31	<u>\$ 1,983</u>	<u>\$ 291,657</u>	<u>\$ 293,640</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) Equity Instrument Investments

The fair values of unquoted shares were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

b) Redemption Options and Put Options of Convertible Bonds

The fair values of redemption options and put options of convertible bonds were determined using the binomial option pricing model where the significant and unobservable input was historical volatility.

c. Categories of financial instruments

	<u>December 31</u>	
	2022	2021
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 1,213,290	\$ 1,064,204
Financial assets at FVTPL	496,974	579,270
Financial assets at FVTOCI	130,000	-
<u>Financial liabilities</u>		
Amortized cost (2)	1,325,886	1,288,429

1) The balances comprise cash and cash equivalents, financial assets at amortized cost, accounts receivable and refundable deposits, etc.

2) The balances comprise short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current portion) and bonds payable (including current portion), etc.

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through analyzing the degree of exposures. The corporate treasury function reports regularly to the Group's management. The risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks as follows:

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

The sensitivity analysis included only monetary items. A positive number below indicates an increase in pre-tax profit associated with the functional currency weakening 1% against the relevant currency.

	Impact on Profit Before Income Tax	
	For the Year Ended December 31	
	2022	2021
USD	\$ 3,599	\$ 4,790
RMB	6,456	3,865

b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 519,166	\$ 456,881
Financial liabilities	1,095,109	1,024,077
Cash flow interest rate risk		
Financial assets	402,964	375,351
Financial liabilities	346,647	430,523

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$563 thousand and decreased/increased by \$552 thousand, respectively, which was mainly attributable to the Group's variable-rate bank deposits and borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by \$4,965 thousand and \$5,773 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL; other comprehensive income (loss) for the year ended December 31, 2022 would have increased/decreased by \$1,300 thousand, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk could be equal to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

Refer to Note 10 for the financial risk management policies adopted by the Group.

The Group's credit risk was mainly concentrated in the following groups accounted for 57% and 81% of net accounts receivable as of December 31, 2022 and 2021, respectively.

	December 31	
	2022	2021
Group A	\$ 38,479	\$ 37,730
Group B	10,734	61,634
Group C	43,147	51,920
Group D	<u>62,533</u>	<u>24,503</u>
	<u>\$ 154,903</u>	<u>\$ 175,787</u>

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate at the end of the year.

	Within 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
<u>December 31, 2022</u>					
Non-interest bearing liabilities	\$ 205,711	\$ -	\$ -	\$ -	\$ 205,711
Lease liabilities	69,427	101,810	84,575	84,886	340,698
Variable interest rate liabilities	84,163	167,578	43,529	68,893	364,163
Fixed interest rate liabilities	<u>517,465</u>	<u>267,982</u>	<u>-</u>	<u>-</u>	<u>785,447</u>
	<u>\$ 876,766</u>	<u>\$ 537,370</u>	<u>\$ 128,104</u>	<u>\$ 153,779</u>	<u>\$ 1,696,019</u>
<u>December 31, 2021</u>					
Non-interest bearing liabilities	\$ 167,638	\$ -	\$ -	\$ -	\$ 167,638
Lease liabilities	62,163	85,166	84,851	125,070	357,250
Variable interest rate liabilities	207,990	108,418	45,532	85,345	447,285
Fixed interest rate liabilities	<u>383,257</u>	<u>335,667</u>	<u>-</u>	<u>-</u>	<u>718,924</u>
	<u>\$ 821,048</u>	<u>\$ 529,251</u>	<u>\$ 130,383</u>	<u>\$ 210,415</u>	<u>\$ 1,691,097</u>

31. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Group and its related parties were as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Brogent Japan Entertainment	Associates
Chih-Hung Ouyang	Key Management (Chairman of the board)
Pei-Chi Ho	Key Management
Shen-Hao Cheng	Key Management (Director of the board)

b. Operating Revenue

Line Item	Related Party Types	For the Year Ended December 31	
		2022	2021
Rental revenue	Associates	<u>\$ 14,182</u>	<u>\$ 916</u>
Service revenue	Associates	<u>\$ 155</u>	<u>\$ -</u>
Licensing revenue	Associates	<u>\$ -</u>	<u>\$ 55</u>

c. Operating costs

Line Item	Related Party Types	For the Year Ended December 31	
		2022	2021
Operating costs	Associates	<u>\$ 318</u>	<u>\$ -</u>

d. Lease arrangements

In January 2022, under an operating lease agreement, the Group leased a building in the Xinxing District, Kaohsiung City, from Shen-Hao Cheng, the key management of the Group, for the use of equipment display. The lease term is 1 year and may be renewed upon expiration by mutual consent. Rental expenses in 2022 was \$476 thousand recognized under operating expenses.

e. Chih-Hung Ouyang and Pei- Chi Ho, the key management members of the Group, provided the guarantees for some borrowings of the Group.

f. Compensation of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 8,860	\$ 10,566
Post-employment benefits	<u>135</u>	<u>216</u>
	<u>\$ 8,995</u>	<u>\$ 10,782</u>

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for construction guarantee and warranty, lease development, government grants, guarantee for notes performance and borrowings:

	December 31	
	2022	2021
Financial assets at amortized cost - current		
Demand deposits and time deposits	\$ 128,876	\$ 64,824
Financial assets at amortized cost - noncurrent		
Time deposits	24,210	23,301
Property, plant and equipment		
Buildings	<u>411,773</u>	<u>436,769</u>
	<u>\$ 564,859</u>	<u>\$ 524,894</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. As of December 31, 2022, the Group's outstanding notes payable for performance and warranty under various construction projects were \$15,468 thousand; letters of guarantee for warranty under various construction projects were \$95,558 thousand.

b. As of December 31, 2022, the outstanding notes payable for research and development were \$19,200 thousand; letters of guarantee for warranty under various construction projects were \$7,600 thousand.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate (\$)		NTD (In Thousands)
<hr/> December 31, 2022 <hr/>				
Financial assets				
Monetary items				
USD	\$ 11,982	30.70	(USD:NTD)	\$ 367,848
RMB	124,813	4.41	(RMB:NTD)	550,299
RMB	21,619	0.14	(RMB:USD)	95,317
Financial liabilities				
Monetary items				
USD	45	30.70	(USD:NTD)	1,377
USD	215	6.96	(USD:RMB)	6,593
<hr/> December 31, 2021 <hr/>				
Financial assets				
Monetary items				
USD	17,422	27.67	(USD:NTD)	482,064
RMB	85,884	4.35	(RMB:NTD)	373,166
RMB	3,058	0.16	(RMB:USD)	13,287
Financial liabilities				
Monetary items				
USD	63	27.67	(USD:NTD)	1,730
USD	49	6.37	(USD:RMB)	1,361

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange were gains of \$78,527 thousand and losses of \$20,229 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

35. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

- 1) Financing provided to others: Table 1
- 2) Endorsements/guarantees provided: Table 2
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: Table 4
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5
 - 9) Trading in derivative instruments: Note 7
 - 10) Intercompany relationships and significant intercompany transactions: Table 6
- b. Information on investees: Table 7
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

Investee Company	Counterparty	Project contract Revenue		Accounts Receivable	
		Amount	Proportion of the Account (%)	Amount	Proportion of the Account (%)
The Corporation	Brogent Rides	\$ 41,523	6	\$ 111,197	34
Brogent Global	Hai Wei Culture Creative	2,397	146	160,070	97

- c) The amount of property transactions and the amount of the resultant gains or losses: None
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2
- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9

36. SEGMENT INFORMATION

The chief operating decision maker of the Group reviews the overall operating results in order to make decisions about resource allocation and assessment of the overall performance. The Group has a single operation segment. Therefore, the measurement basis for sales, operating results, and assets of the reportable segments in 2022 and 2021 is the same as the corporate financial statements. Refer to the balance sheets and the statements of comprehensive income for 2022 and 2021.

- a. Revenue from major products and services: Note 24
- b. Geographical information

The Group's revenue from continuing operations from external customers by location of customers and information about its noncurrent assets by location of assets are detailed below.

	Revenue from External Customers		Noncurrent Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
Taiwan	\$ 53,378	\$ 27,785	\$ 1,161,567	\$ 1,353,516
Asia	299,665	609,496	89,938	97,700
Europe	19,011	5,546	53,825	67,280
Americas	396,005	137,601	960	1,034
Others	<u>35,707</u>	<u>7,321</u>	<u>-</u>	<u>-</u>
	<u>\$ 803,766</u>	<u>\$ 787,749</u>	<u>\$ 1,306,290</u>	<u>\$ 1,519,530</u>

Noncurrent assets exclude financial instruments, investment accounted for using equity method and deferred tax assets.

- c. Information about major customers

	For the Year Ended December 31			
	2022		2021	
	Amount	Proportion of Net Operating Revenue (%)	Amount	Proportion of Net Operating Revenue (%)
Group A	\$ 233,417	29	\$ 63,495	8
Group B	124,749	16	490,643	62
Group C	<u>82,519</u>	<u>10</u>	<u>47,968</u>	<u>6</u>
	<u>\$ 440,685</u>	<u>55</u>	<u>\$ 602,106</u>	<u>76</u>

Brogent Technologies Inc. and Subsidiaries

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Amount Drawn (Note 2)	Interest Rate (%)	Nature of Financing	Transaction Amount	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Total Financing Limit (Note 1)	Note
													Item	Value			
0	The Corporation	Brogent Global	Other receivables - related parties	Yes	\$ 150,000	\$ 150,000	\$ -	-	Short-term financing	\$ -	Operating Capital	\$ -	-	\$ -	\$ 319,412	\$ 1,277,648	
0	The Corporation	Brogent Hong Kong	Other receivables - related parties	Yes	150,000	150,000	61,400	3.5	Short-term financing	-	Operating Capital	-	-	-	319,412	1,277,648	

Note 1: The financing limit for each borrowing company and the total financing limit shall not exceed 10% and 40% respectively of the latest equity of the Corporation.

Note 2: The exchange rate was USD\$1=\$30.70.

Brogent Technologies Inc. and Subsidiaries

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit of Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Year	Ending Balance (Note 2)	Amount Actually Drawn (Note 2)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiary in Mainland China	Note
		Name	Relationship											
0	The Corporation	Brogent Creative	Subsidiary	\$ 958,236	\$ 44,090	\$ 44,090	\$ 3,983	\$ 4,409	1.38	\$ 1,597,060	Y	N	Y	
0	The Corporation	Brogent Global	Subsidiary	958,236	50,000	50,000	40,000	-	1.57	1,597,060	Y	N	N	

Note 1: The limit on endorsement/guarantee given for each party and the total financing limit shall not exceed 30% and 50% respectively of the latest equity of the Corporation.

Note 2: The exchange rate was RMB\$1=\$4.41.

TABLE 3

Brogent Technologies Inc. and Subsidiaries

**MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Corporation	Mutual funds							
	Cathay Senior Secured High Yield Bond Fund A USD	-	Financial assets at FVTPL - current	2,829,655	\$ 28,867	-	\$ 28,867	
	Nomura Multi Income Multi-ASSET Fund (USD)	-	Financial assets at FVTPL - current	83,817	26,750	-	26,750	
	Franklin Income Fund (USD)	-	Financial assets at FVTPL - current	20,610	7,896	-	7,896	
	Franklin Templeton SinoAm Preferred Securities Income Fund (USD)	-	Financial assets at FVTPL - current	23,278	7,289	-	7,289	
	FTGF Western Asset Short Duration Blue Chip Bond Fund (USD)	-	Financial assets at FVTPL - current	4,180	15,471	-	15,471	
					<u>\$ 86,273</u>		<u>\$ 86,273</u>	
	Common Stock							
	Ruentex Industries Ltd.	-	Financial assets at FVTOCI - current	2,000,000	\$ 130,000	0.18	\$ 130,000	
Brogent Global	Equity Investment							
	Jump Media International Co., LTD.	-	Financial assets at FVTPL - current	264,001	\$ -	0.93	\$ -	
	This is Holland B.V.	-	Financial assets at FVTPL - noncurrent	100	9,495	10	9,495	
					<u>\$ 9,495</u>		<u>\$ 9,495</u>	
	Preferred Stock							
	This is Holland B.V.	-	Financial assets at amortized cost - noncurrent	200	\$ 32,740	-	\$ 32,740	
Holey Holdings Limited	Equity Investment							
	Discover NY Project Company, LLC	-	Financial assets at FVTPL - noncurrent	2,310	\$ 106,654	19.09	\$ 106,654	
	Preferred Stock							
	Discover NY Project Company, LLC	-	Financial assets at FVTPL - noncurrent	1,223	\$ 93,574	-	\$ 93,574	
Brogent Hong Kong	Equity Investment							
Discover NY Project Company, LLC	-	Financial assets at FVTPL - noncurrent	500	\$ 23,085	4.13	\$ 23,085		

(Continued)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
Brogent Rides	Mutual funds ICBC tian li bau-Net Asset Value Fund	-	Financial assets at FVTPL - current	1,000,000	\$ 6,852	-	\$ 6,852	
	Equity Investment Fly Over The World Cultural Development Co. Ltd	-	Financial assets at FVTPL - noncurrent	20,000,000	\$ 145,347	3.45	\$ 145,347	
Brogent Creative	Mutual funds ICBC tian li bau-Net Asset Value Fund	-	Financial assets at FVTPL - current	500,000	\$ 2,507	-	\$ 2,507	
	ICBC tian li bau-Net Asset Value Fund	-	Financial assets at FVTPL - current	5,000,000	22,758	-	22,758	
					<u>\$ 25,265</u>		<u>\$ 25,265</u>	

(Concluded)

Brogent Technologies Inc. and Subsidiaries

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
The Corporation	Land and buildings	May 11, 2022 (Board of Directors' Resolution Date)	September 30, 2020	\$ 170,447	\$ 268,000 (tax included)	Received in full	\$ 83,606	Reychen Steel Co., Ltd.	No	To revitalize assets and effectively utilize capital.	Appraisal report	It was leased back for short-term operation for 3 years and 6 months.

Brogent Technologies Inc. and Subsidiaries

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Brogent Rides	Subsidiaries	\$ 111,197	-	\$ -	-	\$ -	\$ -
Brogent Global	Hai Wei Culture Creative	Subsidiaries	160,070	-	-	-	-	-

Brogent Technologies Inc. and Subsidiaries

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details			% of Total Operating Revenues (Assets)
				Financial Statement Account	Amount	Payment Terms	
0	The Corporation	Brogent Rides	Parent to subsidiary	Accounts receivable	\$ 111,197	90 days after monthly closing	2.00
0	The Corporation	Brogent Rides	Parent to subsidiary	Project contract revenue	41,523	According to the contract	5.00
0	The Corporation	Brogent Rides	Parent to subsidiary	Service revenue	494	No similar transactions with unrelated party	-
0	The Corporation	Brogent Global	Parent to subsidiary	Accounts receivable	1,807	90 days after monthly closing	-
0	The Corporation	Brogent Global	Parent to subsidiary	Other receivable	20,599	90 days after monthly closing	-
0	The Corporation	Brogent Global	Parent to subsidiary	Rental revenue	10,025	According to the contract	1.00
0	The Corporation	Brogent Hong Kong	Parent to subsidiary	Other receivable	61,582	Financing provided, According to the contract	1.00
0	The Corporation	Brogent Hong Kong	Parent to subsidiary	Others interest income	1,210	According to the contract	-
0	The Corporation	hexaRide	Parent to subsidiary	Rental revenue	1,906	According to the contract	-
0	The Corporation	hexaRide	Parent to subsidiary	Licensing revenue	11	According to the contract	-
1	Brogent Global	The Corporation	Subsidiary to parent	Accounts receivable	2,972	According to the contract	-
1	Brogent Global	The Corporation	Subsidiary to parent	Service revenue	4,560	No similar transactions with unrelated party	1.00
1	Brogent Global	The Corporation	Subsidiary to parent	Sales of tickets and merchandise	8,647	No similar transactions with unrelated party	1.00
1	Brogent Global	The Corporation	Subsidiary to parent	Disposal of property, plant and equipment	5,670	According to the contract	-
1	Brogent Global	Hai Wei Culture Creative	Subsidiary to subsidiary	Project contract revenue	2,397	No similar transactions with unrelated party	-
1	Brogent Global	Hai Wei Culture Creative	Subsidiary to subsidiary	Accounts receivable	160,070	According to the contract	3.00
2	Brogent Rides	Hai Wei Culture Creative	Subsidiary to subsidiary	Project contract revenue	39,469	According to the contract	5.00
2	Brogent Rides	Hai Wei Culture Creative	Subsidiary to subsidiary	Accounts receivable	42,676	According to the contract	1.00
3	StarLite	The Corporation	Subsidiary to parent	Service revenue	7,056	No similar transactions with unrelated party	1.00

Brogent Technologies Inc. and Subsidiaries

**INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of shares	(%)	Carrying Amount			
The Corporation	Brogent Hong Kong	Hong Kong	Reinvestment and trading business	\$ 306,287	\$ 270,727	-	100.00	\$ 242,957	\$ (31,077)	\$ (31,077)	Subsidiary
The Corporation	Brogent Global	Taiwan	Development and management business of self-operated outlets, site planning and film production	300,000	300,000	36,214,332	100.00	289,922	(63,331)	(60,022)	Subsidiary
The Corporation	Dili Jie	British Virgin Islands	Reinvestment and trading business	296,593	267,955	-	100.00	410,375	23,003	23,003	Subsidiary
Brogent Hong Kong	Brogent Japan Entertainment	Japan	Management business development and sales of the peripheral products of simulator rides in Japan	10,161	10,161	-	35.90	1,657	(956)	(382)	Associates
Brogent Hong Kong	hexaRide the first LLP	Japan	Development and management business of self-operated outlets	81,552	70,362	-	93.98	3,948	(26,236)	(24,564)	Subsidiary
Brogent Hong Kong	Ou Wei Limited	Hong Kong	Content production licensing business	-	35,403	-	-	-	-	-	Subsidiary
Brogent Hong Kong	StarLite	Canada	Design and management business	37,505	13,135	-	100.00	15,070	(10,861)	(10,861)	Subsidiary
Dili Jie	Jetway	Cayman Islands	Reinvestment and trading business	298,658	270,020	-	100.00	410,355	22,994	22,994	Subsidiary
Jetway	Garley	British Virgin Islands	Reinvestment and trading business	131,258	131,258	-	100.00	208,149	(2,887)	(2,887)	Subsidiary
Jetway	Holey Holdings Limited	British Virgin Islands	Reinvestment and trading business	168,391	139,753	-	100.00	201,702	26,103	26,103	Subsidiary
Brogent Global	Jetmay	British Virgin Islands	Reinvestment and trading business	99,276	99,276	-	100.00	155,484	(31,099)	(31,037)	Subsidiary

Note 1: The share of profit (loss) recognized for the year ended December 31, 2022 included eliminated unrealized gains or losses.

Note 2: The share of profit (loss) of subsidiaries are eliminated on consolidation.

Note 3: Please refer to Table 8 for the information on investments in mainland China.

Brogent Technologies Inc. and Subsidiaries

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Brogent Rides	Import and export business	\$ 218,085	Reinvested through the third region Brogent Hong Kong and Garley	\$ 222,712	\$ -	\$ -	\$ 222,712	\$ (4,900)	100.00	\$ (4,900)	\$ 356,956	\$ -	Note 2
Brogent Creative	Development and management business of self-operated outlets	57,317	Reinvested through the third region Brogent Rides	-	-	-	-	11,433	100.00	11,433	86,447	-	Note 2
Hai Wei Culture Creative	Whole planning business	88,180	Reinvested through the third region Jetmay	88,454	-	-	88,454	(31,098)	100.00	(31,098)	155,859	-	Note 2
Beijing Huawei Global Cultural Development Co., Ltd.	Development and management business of self-operated outlets	13,227	Reinvested through the third region Brogent Rides	-	-	-	-	(246)	35.00	(86)	98	-	Note 3

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	\$ 311,166	\$ 311,166	\$ 1,916,472

Note 1: The exchange rate was RMB\$1=\$4.41.

Note 2: The investment gain (loss) was recognized based on the financial statements audited by the Corporation's CPA.

Note 3: The investment gain (loss) was recognized based on the financial statements not audited.

TABLE 9**Brogent Technologies Inc. and Subsidiaries****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022**

Name of the Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Chih-Hung Ouyang	3,807,191	6.11
Ruentex Industries Ltd.	3,230,310	5.18

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, including shares that have been issued without physical registration by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

Brogent Technologies Inc.



Chairman, Chih-Hung Ouyang

